

**CITY OF ALBANY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**CITY OF ALBANY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

---

**TABLE OF CONTENTS**

Page

**INTRODUCTORY SECTION**

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

**FINANCIAL SECTION**

Independent Auditor's Report.....	1 - 3
Management's Discussion and Analysis .....	4 - 22
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	23 - 25
Statement of Activities .....	26
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	27 and 28
Statement of Revenues, Expenditures and Changes in Fund	
Balances – Governmental Funds.....	29 and 30
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances	
of Governmental Funds to the Statement of Activities .....	31
Statement of Revenues, Expenditures and Changes in Fund Balances	
Budget and Actual – General Fund and Major Special Revenue Fund.....	32 - 34
Statement of Net Assets – Proprietary Funds.....	35 - 37
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	38 and 39

**CITY OF ALBANY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

---

**TABLE OF CONTENTS**

	Page
<b>FINANCIAL SECTION (CONTINUED)</b>	
Statement of Cash Flows – Proprietary Funds .....	40 - 42
Statement of Fiduciary Net Assets – Pension Fund .....	43
Statement of Changes in Fiduciary Net Assets – Pension Fund.....	44
Notes to Financial Statements .....	45 - 112
Required Supplementary Information	
Schedule of Funding Progress - City of Albany Pension Plan .....	113
Schedule of Funding Progress - City of Albany Other Post-Employment Benefit Plan .....	113
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds	
Combining Balance Sheet – Nonmajor Governmental Funds .....	114 and 115
Combining Statement of Revenues, Expenditures and Changes in Fund	
Balances – Nonmajor Governmental Funds .....	116 and 117
Budgetary Compliance	
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – Nonmajor Governmental Funds .....	118 - 120
Nonmajor Enterprise Funds	
Combining Statement of Net Assets – Nonmajor Enterprise Funds .....	121 and 122
Combining Statement of Revenues, Expenses and Changes in Fund	
Net Assets – Nonmajor Enterprise Funds .....	123 and 124
Combining Statement of Cash Flows – Nonmajor Enterprise Funds .....	125 and 126

**CITY OF ALBANY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

---

**TABLE OF CONTENTS**

	Page
<b>FINANCIAL SECTION (CONTINUED)</b>	
Combining and Individual Fund Statements and Schedules (Continued)	
Internal Service Funds	
Combining Statement of Net Assets – Internal Service Funds.....	127
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds.....	128
Combining Statement of Cash Flows – Internal Service Funds .....	129 and 130
Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds	
2005 Special City Sales Tax.....	131
2000 Special City Sales Tax.....	132
1995 Special City Sales Tax.....	133
1990 Special City Sales Tax.....	134
<b>STATISTICAL SECTION (UNAUDITED)</b>	
Government-wide information:	
Net Assets by Component.....	135
Changes in Net Assets.....	136 - 139
Governmental Activities Tax Revenues by Source.....	140
Fund information:	
Fund Balances of Governmental Funds .....	141
Changes in Fund Balances of Governmental Funds .....	142 and 143

**CITY OF ALBANY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

---

**TABLE OF CONTENTS**

	Page
<b>STATISTICAL SECTION (UNAUDITED) (CONTINUED)</b>	
General Governmental Tax Revenues by Source .....	144
Assessed Value and Estimated Actual Value of Taxable Property .....	145
Property Tax Rates - Direct and Overlapping Governments .....	146
Taxable Sales Tax Distribution by Category .....	147
Principal Property Taxpayers.....	148
Property Tax Levies and Collections .....	149
Ratio of Outstanding Debt by Type .....	150
Ratio of General Bonded Debt Outstanding.....	151
Legal Debt Margin .....	152
Pledged Revenue Coverage .....	153
Demographic and Economic Statistics.....	154
Principal Employers .....	155
Full Time Equivalent City Government Employees by Function.....	156
Operating Indicators by Function.....	157
Capital Asset Statistics by Function .....	158
<b>SINGLE AUDIT SECTION</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	159 - 161
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.....	162 - 164
Schedule of Expenditures of Federal Awards .....	165 - 167

**CITY OF ALBANY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

---

**TABLE OF CONTENTS**

Page

**SINGLE AUDIT SECTION (CONTINUED)**

Notes to Schedule of Expenditures of Federal Awards .....	168
Schedule of Findings and Questioned Costs.....	169 - 177
Summary Schedule of Prior Year Findings .....	178 - 183

**SUPPLEMENTAL SECTION**

Independent Accountant's Report on Local Assistance Grants .....	184 and 185
State of Georgia Grant Certification Form.....	186

## INTRODUCTORY SECTION

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# City of Albany

Post Office Box 447

Albany, Georgia

31702-0447

December 28, 2009

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, 2009. 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, 2009. 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 1841, the city lies as the head of the Flint River, 145 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 2000 Census, the population of Albany was 76,939.<sup>1</sup>

Albany has developed a diversified industrial economy, which includes companies such as Proctor & Gamble, Miller/Coors, and Masterfoods. The chief farm products are cotton, peanuts, corn, and tobacco, and to a lesser extent, paper-shell pecans and forest products.

The City of Albany was originally incorporated by an Act of the General Assembly of Georgia on December 27, 1838, and has operated under the Commission-Manager form of government since January 14, 1924. The seven-member commission consists of a Mayor elected at large and six Commissioners elected on a ward basis. The Commission appoints the City Manager, City Clerk, Assistant City Clerk, City Attorney, 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 Water, Gas and Light Commission of Albany, the Chehaw Park Authority, and the Albany-Dougherty Inner City Authority (ADICA) are independent entities whose financial health and, accordingly, they have been included as part of the City's reporting entity. The City provides a full range of services including police and fire protection; solid waste services; road maintenance, streets, storm and sanitary sewers; and recreational activities and cultural events. In addition to these general governmental activities, the City has a transit system, cemetery, airport, civic center, and golf course.

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<sup>1</sup>Source: Albany Chamber of Commerce [www.albanyga.us](http://www.albanyga.us)

## ECONOMIC CONDITION AND OUTLOOK

The City of Albany is the county seat of Dougherty County and serves as the distribution, retail and wholesale trade, communication, and medical center for southwest Georgia, a seven county area. In October 2005, Dougherty County was designated as "Entrepreneur Friendly Community" by the State of Georgia.

It is anticipated that it will take several years for the state's economy to recover from the recent recession. Georgia was affected somewhat worse than other states by the recession. This is due primarily to an overdependence on homebuilding. It is anticipated that the manufacturing sector will continue to lose jobs, but at much slower rate. Manufacturing sub-sectors with the best immediate prospects for job growth - or at least job stability - include wood products, nonmetallic mineral products, and transportation equipment. Once the housing market begins to rebound, retiree-based economic development will be an increasingly important factor in Georgia growth.

Albany will see improvements in its local economy more slowly than other areas of the state. Matters that will compound the local economy's woes are the closing of Cooper Tire plant in 2009, declining retail sales, and a slowly growing population. The Cooper Tire closure will lead to the eventual loss of approximately 2,400 jobs. Despite this, the City of Albany has managed to maintain a healthy financial position.

The State of Georgia and several local governments have had to eliminate positions during FY 2009 due to continuing budget difficulties. The City of Albany did not eliminate positions nor enact any furloughs in FY 2009. This is due to stringent budget controls, continuous financial monitoring, and a mid-year cost reduction plan initiated by the City Manager.

For higher education, Albany has two hometown colleges, a progressive technical college, and a job corps center. Albany State University is a senior unit of the University System of Georgia. With more than 40 major fields of study, the college offers undergraduate and graduate degree programs. The University maintains flexible scheduling for the growing number of non-traditional students. Darton College is a two-year unit of University System of Georgia. Students can pursue over 70 two-year transfer and career associate degrees. Albany Technical College is a unit of the Georgia Department of Technical and Adult Education. Turner Job Corps Center also serves the Albany area as a fully accredited Vocational Education Institute, providing high quality academic and vocational training programs to prepare students (ages 16 – 24) to take their places in today's technical work force. Turner has over 20 vocational trades from which the 930-member student body may choose. The city is also served by 16 public elementary schools, 10 public secondary schools, 1 public alternative school and number of private schools.<sup>2</sup>

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

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

In 2005, Albany accepted the challenge of change management. The Mayor and Board of City Commissioners hired a management consulting firm to work with staff to develop a comprehensive Five-Year Strategic and Financial Plan for the City of Albany. 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. The City's staff will perform this task on a biannual basis.

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

- Improve Public Safety - reducing the impact of gangs and increasing crime prevention
- Improve City beautification and Code Enforcement efforts
- Improve economic development with emphasis on downtown Albany
- Reduce poverty
- Enhance community, cultural and recreational opportunities
- Storm water system renovation and sewer separation

Major objectives for these goals have also been developed:

- To establish competitive comparisons for pay and benefits
- To develop innovative communication methodologies, such as kiosks or a 311 service
- To create an internal bulletin board or intranet for employee communications
- To develop and practice a "business-friendly" atmosphere
- To improve downtown Albany revitalization efforts
- To establish and maintain a wellness program for employees

These objectives are scheduled to be completed within the next five years.

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 task and responsibilities.

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

The second practice is staff performance measurement. The City Manager, as well as senior management, believes that every employee should know how their employer rates their performance. The City also affirms that every employee should make a positive contribution to the organization. Each staff member's performance is documented and monitored on a routine basis. Performance evaluations are conducted for every City staff member at least twice a year.

The City uses two software packages for managing these new practices-Microsoft Project and Performance Pro. These packages have been adopted and have transformed the culture throughout the organization. Training is ongoing for the tools and employees' proficiency is steadily improving.

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 is estimated to be \$108 million. Sixty-two percent, or \$65.87 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 V include: \$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, \$3.5 million for the Thronteeka Heritage Center improvements, \$3.57 million to the Albany Civil Rights Museum, and \$8.65 million for Riverfront Park. Total revenue generated for fiscal year 2009 for SPLOST program was \$9 million with expenditures totaling \$12 million. Most projects for this SPLOST series are complete. Therefore, spending should decrease until the end of the SPLOST series. SPLOST revenue, however, has been drastically affected by a downturn in the economy. Consumers are spending less than in previous years. Therefore, SPLOST collections for the City of Albany have significantly decreased- approximately 44% less than in FY 2009. A complete list of the projects and further details regarding the program is available at [www.albany.ga.us](http://www.albany.ga.us)

## **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 and 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 are included in the formal operating budget. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve in the Capital Projects Funds, that are continuing.

## **CASH MANAGEMENT**

Cash temporarily idle during the year was invested in interest-bearing demand deposits, repurchase agreements, certificates of deposits, and the State of Georgia Local Government Investment Pool. 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. 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 seventeen consecutive fiscal years from 1991 to 2008. 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 sixteenth 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 operating guide, as a financial guide, and as a communication device.

## **ACKNOWLEDGEMENTS**

We wish to acknowledge the outstanding accomplishment of the Finance Department staff in the preparation of this report. Their contribution 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 daily maintain in the 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,

---

Alfred D. Lott, ICMA-CM, CPM  
City Manager

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Krista M. Newton  
Finance Department

**Insert GFOA Certificate of Achievement**



# **CITY OF ALBANY, GEORGIA**

## **PRINCIPAL OFFICIALS**

**JUNE 30, 2009**

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### **ELECTED**

<b>Dr. Willie Adams</b>	<b>At Large</b>	<b>Mayor</b>
<b>Jon B. Howard</b>	<b>Ward I</b>	<b>Commissioner</b>
<b>Dorothy Hubbard</b>	<b>Ward II</b>	<b>Mayor Pro Tem/Commissioner</b>
<b>Morris Gurr</b>	<b>Ward III</b>	<b>Commissioner</b>
<b>Roger B. Marietta</b>	<b>Ward IV</b>	<b>Commissioner</b>
<b>Robert B. Langstaff, Jr.</b>	<b>Ward V</b>	<b>Commissioner</b>
<b>Tommie Postell</b>	<b>Ward VI</b>	<b>Commissioner</b>

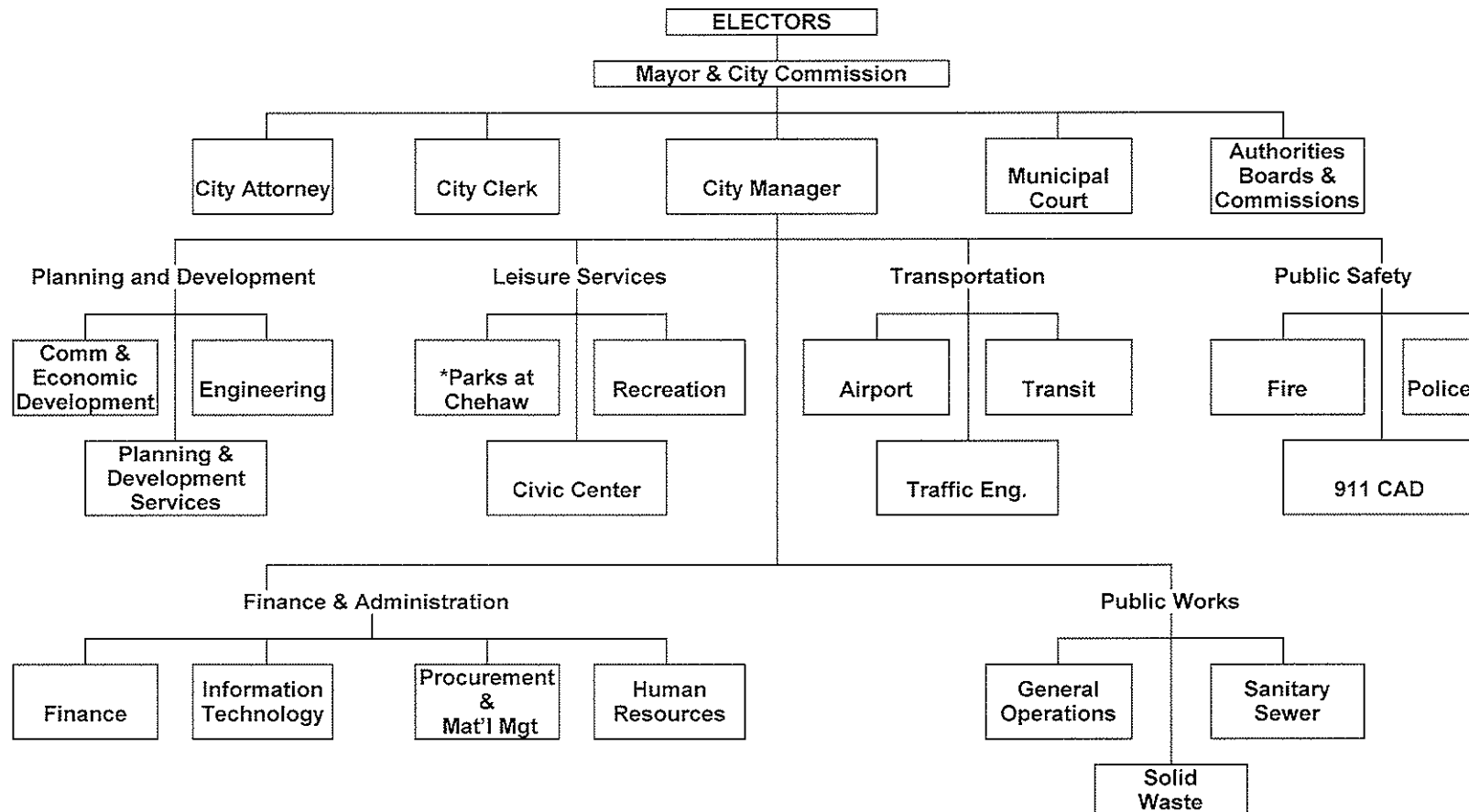
### **STAFF**

<b>Alfred Lott</b>	<b>City Manager</b>
<b>Kris Newton</b>	<b>Director of Finance</b>

# CITY OF ALBANY, GEORGIA

## ORGANIZATION CHART

JUNE 30, 2009



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

## FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Albany, Georgia**, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Albany, Georgia's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Albany, Georgia as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Community Development Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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As discussed in Note 1, the City changed its accounting and funding policies related to the City of Albany Pension Plan. The City will now have a required contribution which is an actuarially determined percentage of payroll each year as opposed to a required contribution equal to a set dollar amount. This practice is allowed under generally accepted accounting principles and is preferable so the City can ensure a direct correlation of required contributions to actual payroll.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2009, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 4 through 22 and the Required Supplementary Information on page 113 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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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 statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the City of Albany, Georgia. The schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121 and are 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 federal awards and the schedules of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 28, 2009

**CITY OF ALBANY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2009**

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 new 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 Statement – and Management Discussion and Analysis – for State and Local Governments: Omnibus*, an amendment to GASB Statement No. 21 and No. 34, and Statement No. 38 *Certain Financial Statement Disclosures*, effective July 1, 2002.

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

## **FINANCIAL HIGHLIGHTS**

### **Government wide Financial Statements**

- ❑ At the close of the fiscal year, the assets of the City exceeded its liabilities by \$244,557,185. Of this amount, \$59,502,794 (24%) represents unrestricted net assets 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 assets of the City's *business-type activities* were \$109,537,671. This represented an increase of \$2,718,298 (2.5%) over the prior year's net asset balance for business-type activities.
- ❑ At the close of the current fiscal year, the net assets of the City's *governmental activities* were \$135,019,514. This represented a decrease of \$1,638,991 (1.2%) over the prior year's net asset balance for governmental activities.

### **Fund Financial Statements**

- ❑ The General Fund, the chief operating fund of the City, had a total fund balance of \$22,922,770 as of June 30, 2009. Of this amount, \$18,627,452 (81.2%) was unreserved.
- ❑ The General Fund had revenues of \$51,375,301 for the current fiscal year. Of this amount, \$13,964,606 (27.2%) was from property taxes and \$7,500,062 (14.6%) was from sales taxes.

## Debt Obligations

- ❑ Long-term debt obligations from governmental activities decreased \$6,129,291 (17%) from \$36,044,160 at June 30, 2008, to \$29,914,869 at June 30, 2009.
- ❑ Long-term debt obligations from business type activities decreased \$2,409,147 (6%) from \$39,538,427 at June 30, 2008 to \$37,129,280 at June 30, 2009.

## 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 Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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, municipal auditorium, and public employee health plan.

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 two discretely presented component units: (1) Chehaw Park Authority and (2) Water, Gas and Light Commission. These units are excluded from any activities or amounts presented in the "Primary Government".

The government-wide financial statements can be found on pages 23 - 26 of this report.



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

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

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

The City maintains three (3) major governmental funds for financial reporting purposes. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Community Development Fund, and SPLOST Fund.

Other *non-major* governmental funds include: Five (5) Special Revenue Funds (Hotel/Motel Tax Fund, Computer Aided Dispatch, Albany-Dougherty Inner City Authority, Grant Fund, and Gortatowsky Fund); one (1) Debt Service Fund; and one (1) Capital Projects Fund (Public Improvement Fund). Data on these 7 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 27 - 34 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: the sanitary sewer, solid waste, airport, and public employee deposit funds.

The City maintains six (6) non-major proprietary funds. Three (3) of the non-major proprietary funds are enterprise funds (Transit Fund; Civic Center Fund; and Municipal Auditorium Fund). These three 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 three non-major proprietary funds are internal service funds (Self Administered Insurance Fund; Long-term Disability Fund; and Workers' Compensation Fund). These three 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 35 - 42 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 43 and 44 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 45 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the seventh year that the City of Albany has presented its financial statements under the new 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, 2008 and June 30, 2009, are included in this MD&A.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$244,557,185 as of June 30, 2009.

As shown in Table 1, the largest portion of the City's net assets, \$165.6 million (67.5%), 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 assets, \$19.5 million (8%), represents resources that are subject to external restrictions on how they may be used. The major restrictions on net assets are funding source restrictions. The remaining balance of total net assets of \$60 million (24.5%) 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, 2009, 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 Assets - Primary Government**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>FY2009</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY2008</b>
Current and Other Assets	\$ 78,777,966	\$ 85,781,593	\$ 26,926,710	\$ 25,886,819	\$105,704,676	\$111,668,412
Capital Assets	96,368,312	94,153,297	123,385,793	124,849,223	219,754,105	219,002,520
<b>TOTAL ASSETS</b>	<b>175,146,278</b>	<b>179,934,890</b>	<b>150,312,503</b>	<b>150,736,042</b>	<b>325,458,781</b>	<b>330,670,932</b>
Current and Other Liabilities	18,533,819	15,900,247	7,023,991	7,691,478	25,557,810	23,591,725
Long Term Liabilities	21,592,945	27,376,138	33,750,841	36,225,191	55,343,786	63,601,329
<b>TOTAL LIABILITIES</b>	<b>40,126,764</b>	<b>43,276,385</b>	<b>40,774,832</b>	<b>43,916,669</b>	<b>80,901,596</b>	<b>87,193,054</b>
Net Assets:						
Invested in capital asset,						
net of related debt	78,428,752	70,610,705	87,159,039	86,139,998	165,587,791	156,750,703
Restricted	16,456,922	20,209,767	3,009,678	575,157	19,466,600	20,784,924
Unrestricted	40,133,840	45,838,033	19,368,954	20,104,218	59,502,794	65,942,251
<b>TOTAL NET ASSETS</b>	<b>\$135,019,514</b>	<b>\$136,658,505</b>	<b>\$109,537,671</b>	<b>\$106,819,373</b>	<b>\$244,557,185</b>	<b>\$243,477,878</b>

In Table 1 (a), the 2009 Statement of Net Assets is compared to the results for the prior fiscal year. Note that the relationship between the Statement of Net Assets and the Statement of Activities is such that the increase in net assets from one year to the next on Table 1(a) is equal to the change in net assets at the bottom of Table 2 (\$1,079,307). In Table 2(a), the 2008 and 2009 Statements of Activities for the primary government are compared. Revenues decreased by \$31.5 million from 2008 to 2009, the total expenditures for the same periods decreased by \$12.2 million.

**TABLE 1 (a)**

**City of Albany**  
**Comparison of Net Assets for Primary Government**  
**Fiscal Years 2008 and 2009**

	<b>Total Primary Government FY 2009</b>	<b>Total Primary Government FY 2008</b>	<b>Increase (Decrease)</b>
Current and Other Assets	\$ 105,704,676	\$ 111,668,412	\$ (5,963,736)
Capital Assets	219,754,105	219,002,520	751,585
<b>TOTAL ASSETS</b>	<b>325,458,781</b>	<b>330,670,932</b>	<b>(5,212,151)</b>
Current and Other Liabilities	25,557,810	23,591,725	1,966,085
Long Term Liabilities	55,343,786	63,601,329	(8,257,543)
<b>TOTAL LIABILITIES</b>	<b>80,901,596</b>	<b>87,193,054</b>	<b>(6,291,458)</b>
Net Assets:			
Invested in capital asset, net of related debt:	165,587,791	156,750,703	8,837,088
Restricted	19,466,600	20,784,924	(1,318,324)
Unrestricted	59,502,794	65,942,251	(6,439,457)
<b>TOTAL NET ASSETS</b>	<b>\$ 244,557,185</b>	<b>\$ 243,477,878</b>	<b>\$ 1,079,307</b>

TABLE 2

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008
<b>Revenues:</b>						
<u>Program Revenues:</u>						
Charges for Services	\$ 6,900,390	\$ 9,572,360	\$ 38,090,115	\$ 44,941,523	\$ 44,990,505	\$ 54,513,883
Operating Grants and Contributions	18,090,264	15,310,571	1,678,305	2,321,938	19,768,569	17,632,509
Capital Grants and Contributions	2,033,058	15,916,286	2,872,902	5,818,085	4,905,960	21,734,371
<u>General Revenues:</u>						
Property taxes	13,964,606	14,776,748			13,964,606	14,776,748
Sales taxes	18,269,427	23,380,560			18,269,427	23,380,560
Other taxes	9,513,267	9,411,907			9,513,267	9,411,907
Investment income	1,163,072	1,136,934	251,223	662,182	1,414,295	1,799,116
Gain (loss) on sale or disposal of capital assets		-		-	-	-
Transfers	(2,883,904)	(2,543,171)	2,883,904	2,543,171	-	-
<b>TOTAL REVENUES</b>	<b>67,050,180</b>	<b>86,962,195</b>	<b>45,776,449</b>	<b>56,286,899</b>	<b>112,826,629</b>	<b>143,249,094</b>
<u>Expenses:</u>						
General government	12,215,564	13,063,421	-	-	12,215,564	13,063,421
Judicial	952,323	910,240	-	-	952,323	910,240
Public safety	31,206,297	30,268,106	-	-	31,206,297	30,268,106
Public works	7,695,464	8,306,157	-	-	7,695,464	8,306,157
Parks and recreation	9,079,385	12,818,108	-	-	9,079,385	12,818,108
Community development	5,591,053	7,497,726	-	-	5,591,053	7,497,726
Community service	399,347	336,411	-	-	399,347	336,411
Interest on long-term debt	1,549,738	1,515,177	-	-	1,549,738	1,515,177
Sewer	-	-	14,402,906	13,503,253	14,402,906	13,503,253
Solid waste	-	-	8,499,616	8,206,745	8,499,616	8,206,745
Airport	-	-	2,415,280	2,195,398	2,415,280	2,195,398
Public Employee Deposit	-	-	13,042,126	19,935,572	13,042,126	19,935,572
Transit	-	-	2,902,980	3,435,890	2,902,980	3,435,890
Civic Center	-	-	1,603,124	1,807,638	1,603,124	1,807,638
Municipal Auditorium	-	-	192,119	160,829	192,119	160,829
<b>TOTAL EXPENSES</b>	<b>68,689,171</b>	<b>74,715,346</b>	<b>43,058,151</b>	<b>49,245,325</b>	<b>111,747,322</b>	<b>123,960,671</b>
<b>CHANGE IN NET ASSETS</b>	<b>(1,638,991)</b>	<b>12,246,849</b>	<b>2,718,298</b>	<b>7,041,574</b>	<b>1,079,307</b>	<b>19,288,423</b>
<b>Net Assets - Beg. Of Year</b>	<b>136,658,505</b>	<b>124,411,656</b>	<b>106,819,373</b>	<b>99,777,799</b>	<b>243,477,878</b>	<b>224,189,455</b>
<b>Net Assets - End Of Year</b>	<b>\$ 135,019,514</b>	<b>\$ 136,658,505</b>	<b>\$ 109,537,671</b>	<b>\$ 106,819,373</b>	<b>\$ 244,557,185</b>	<b>\$ 243,477,878</b>

TABLE 2 (a)

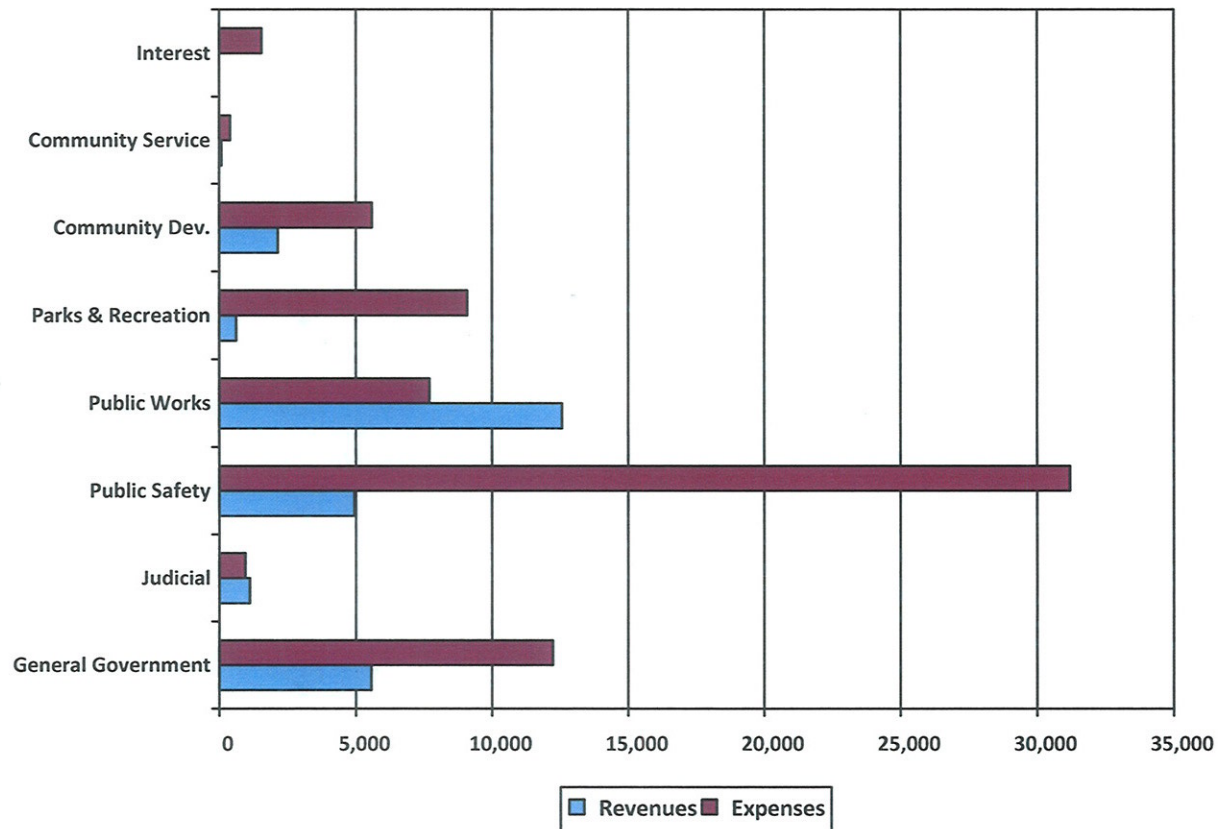
**City of Albany**  
**Comparison of Statement of Activities for Primary Government**  
**Fiscal Years 2008 and 2009**

	Total Primary Government Activities- 2008	Total Primary Government Activities- 2009	Increase (Decrease)
<b>Revenues:</b>			
<u>Program Revenues:</u>			
Charges for Services	\$ 54,513,883	\$ 44,990,505	\$ (9,523,378)
Operating Grants and Contributions	17,632,509	19,768,569	2,136,060
Capital Grants and Contributions	21,734,371	4,905,960	(16,828,411)
<u>General Revenues:</u>			
Property taxes	14,776,748	13,964,606	(812,142)
Sales taxes	23,380,560	18,269,427	(5,111,133)
Other taxes	9,411,907	9,513,267	101,360
Investment income	2,917,716	1,414,295	(1,503,421)
<b>TOTAL REVENUES</b>	<u>144,367,694</u>	<u>112,826,629</u>	<u>(31,541,065)</u>
<b>Expenses:</b>			
General government	13,063,421	12,215,564	(847,857)
Judicial	910,240	952,323	42,083
Public safety	30,268,106	31,206,297	938,191
Public works	8,306,157	7,695,464	(610,693)
Parks and recreation	12,818,108	9,079,385	(3,738,723)
Community development	7,497,726	5,591,053	(1,906,673)
Community service	336,411	399,347	62,936
Interest on long-term debt	1,515,177	1,549,738	34,561
Sewer	13,503,253	14,402,906	899,653
Solid waste	8,206,745	8,499,616	292,871
Airport	2,195,398	2,415,280	219,882
Public employee deposit	19,935,572	13,042,126	(6,893,446)
Transit	3,435,890	2,902,980	(532,910)
Civic Center	1,807,638	1,603,124	(204,514)
Municipal Auditorium	160,829	192,119	31,290
<b>TOTAL EXPENSES</b>	<u>123,960,671</u>	<u>111,747,322</u>	<u>(12,213,349)</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ 20,407,023</u>	<u>\$ 1,079,307</u>	<u>\$ (19,327,716)</u>

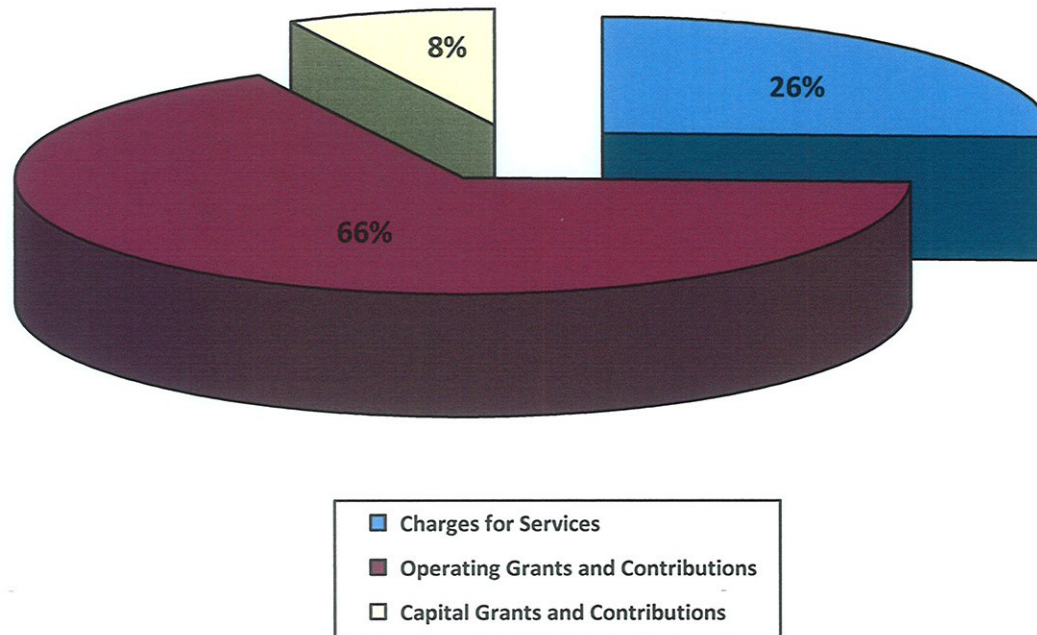
### Governmental Activities

Governmental Activities decreased the City of Albany's net assets by \$1,638,991. Revenues from governmental activities totaled \$69,934,084; with sales taxes (27%), property taxes (21%), operating grants (27%), other taxes (14%), and charges for services (10%) contributing over \$66,737,954 of the City's revenues. Expenses for governmental activities were \$68,689,171, of which 40% was supported from program revenues and 60% from general revenues. Expenses for Public Safety (45%), General Government (18%), and Parks and Recreation (13%) make up 76% of the total expense for governmental activities.

Expenses and Program Revenues - Governmental Activities (in thousands)



### Government Activities - Breakout of Program Revenue



### Business-type Activities

Business-type activities increased the City of Albany's net assets by \$2,718,298, accounting for all of the total growth in the government's net assets. As of June 30, 2009, total business-type net assets were \$109,537,671 of which \$87,159,039 was invested in capital assets; \$3,009,678 was restricted; and \$19,368,954 was unrestricted.

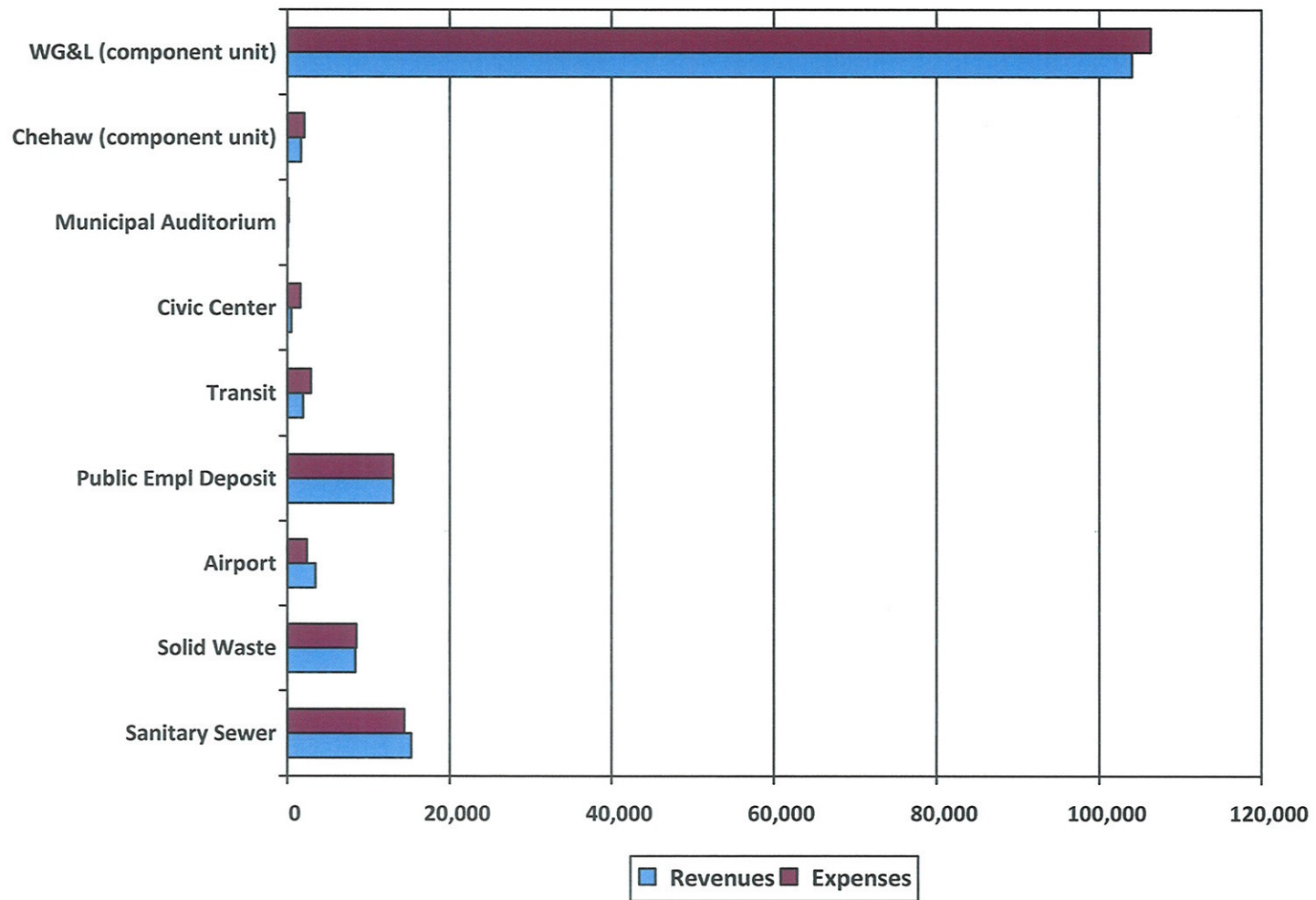
Revenues totaled \$45,776,449 with 93% of revenues coming from Program Revenues and 7% coming from General Revenues. (See chart "Business-Type Activities – Breakout of Program Revenues").

Total expenses were \$43,058,151. The largest expenditures were Public Employee Deposit (30%) and Sewer (33%).

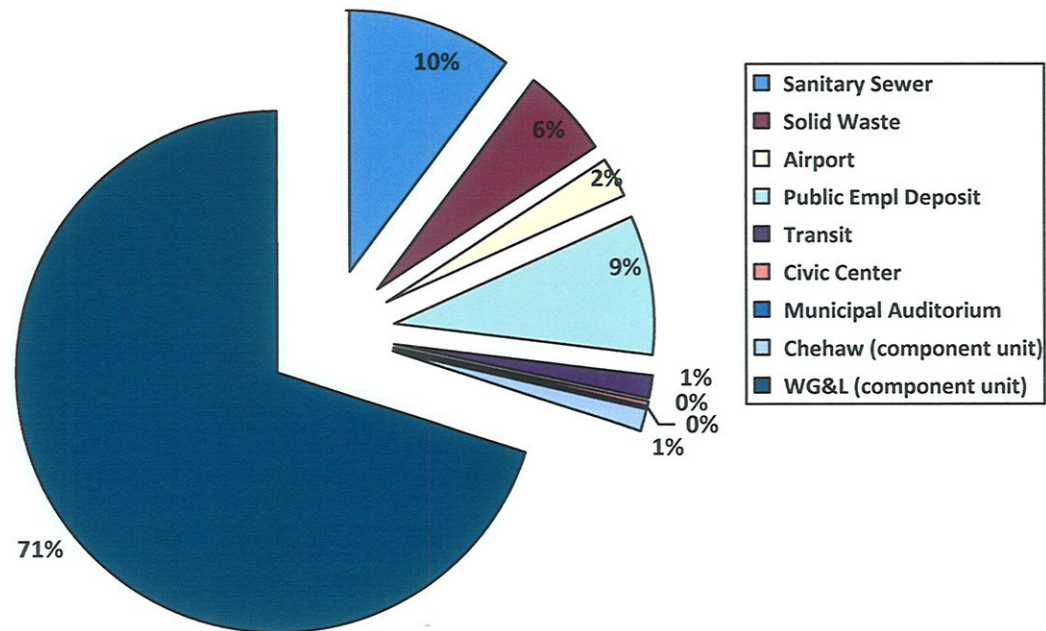
***The Water, Gas and Light Commission is a discretely presented component unit and is not reflected in the amounts discussed above.***



Expenses and Program Revenues - Business Type Activites (in thousands)



Business Type Activites - Breakout of Program Revenue



## FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

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

### Governmental Funds

The focus of the City of Albany's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Albany's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Albany's governmental funds reported combined ending fund balances of \$49,877,875 a decrease of \$5,935,239 in comparison with the prior year. Eighty-five percent (\$42,637,050) constituted unreserved fund balance, which is available for spending at the government's discretion. The remaining fifteen percent of the fund balance (\$7,240,825) is reserved to indicate that it is not available for new spending. This amount has been committed to Inventories (\$259,252); Prepaid Items (\$314,131); Advances to other funds (\$5,852,372); Program expenditures (\$45,645); and Debt Service (\$769,425).

The General Fund is the chief operating fund of the City. As of June 30, 2009, the *unreserved* fund balance in the general fund was \$18,627,452; the total fund balance was \$22,922,770 – an increase of \$409,981 over 2008.

The General Fund's liquidity can be measured by comparing both the *unreserved fund balance* and total fund balance to *total fund expenditures*. Unreserved fund balance represents 38% of the total general fund expenditures, while total fund balance represents 46.9% of that same amount. When *transfers out* are added to *expenditures*, the unreserved fund balance represents 36% of expenditures plus transfers, while the total fund represents 44% of this amount.

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

Transfer in From Other funds (\$1,344,633) represents transfers from the Hotel Motel Tax Fund and Public Improvement Fund. Transfer in from component units (\$7,311,870) represents 7.5% of the actual metered revenue from the previous calendar year for the Water, Gas and Light Commission. This amount is included in intergovernmental revenues. 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: Airport Fund (\$557,682); Grant Fund (\$495,819); Transit Fund (\$937,168); Civic Center Fund (\$1,108,854); Auditorium Fund (\$55,509); Albany Tomorrow (\$75,000), and ADICA fund (\$292,403).

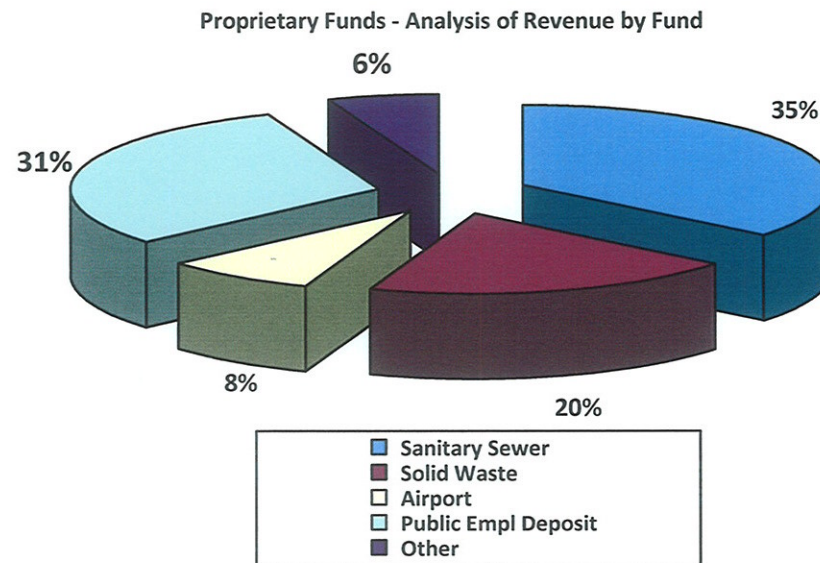
During the fiscal year ended June 30, 2009, the City's General Fund balance increased by \$409,981. The following contributed to the change:

- ☐ Actual revenues fell short of budgeted revenues by \$45,216;
- ☐ Total actual revenues for 2008 exceeded 2009 revenues by \$339,213;
- ☐ Actual expenditures were \$3,869,665 under budgeted expenditures

The primary factors causing General Fund revenues to fall short of budget include: Revenues from sales taxes were \$1,599,938 under budget and they were \$2,218,475 less than the previous year; Property taxes were \$185,914 under budget; and Fines and Forfeitures Revenue was under budget by \$219,722. Revenues from Licenses and Permits were under budget by \$113,069 and Charges for Services were under budget by \$111,800. Intergovernmental Revenue was the only real bright spot as it was \$16,656,922 in FY09, which was \$2,091,759 over budget.

### 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, 2009, the proprietary funds had total operating revenues of \$37,890,115. Based on revenues, the largest proprietary fund is the Sanitary Sewer Fund (40%) followed by the Public Employee Deposit Fund (34%). See chart below for an overview of revenue by proprietary fund.



The change in net assets for Proprietary Funds was \$2,828,640 (representing a 2.7% increase from the prior year's adjusted net asset balance of \$106,334,840). The \$2,828,640 net change was the result of the following:

Sanitary Sewer Fund	\$	1,080,033
Solid Waste Fund	\$	228,634
Airport Fund	\$	1,615,409
Public Employee Deposit Fund	\$	-
Other Enterprise Funds	\$	(95,436)

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The City's revenues were 0.09% under the budgeted amount. As a result of the relatively flat economy, the City was conservative in estimating tax and license revenue. Similarly, the City's expenditures were 7.3% under budget. This was the result of the City aggressively monitoring costs.

TABLE 3

**CITY OF ALBANY, GEORGIA**  
**GENERAL FUND**  
**Statement of Revenues and Expenditures - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	General Fund			
	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Property taxes	\$ 14,667,103	14,150,520	13,964,606	\$ (185,914)
Sales taxes	9,100,000	9,100,000	7,500,062	(1,599,938)
Other taxes	8,118,203	8,118,203	8,201,806	83,603
Licenses and permits	2,371,431	2,371,431	2,258,362	(113,069)
Intergovernmental	13,113,463	14,565,163	16,656,922	2,091,759
Charges for services	560,505	560,505	448,705	(111,800)
Fines and forfeitures	1,245,167	1,245,167	1,025,445	(219,722)
Interest income	350,000	350,000	300,657	(49,343)
Other	926,997	959,528	1,018,736	59,208
<b>TOTAL REVENUES</b>	<b>\$ 50,452,869</b>	<b>\$ 51,420,517</b>	<b>\$ 51,375,301</b>	<b>\$ (45,216)</b>
<b>Expenditures:</b>				
General government	9,911,042	10,241,042	8,976,530	1,264,512
Judicial	1,092,409	1,092,409	929,956	162,453
Public safety	28,421,178	28,783,221	27,162,081	1,621,140
Public works	7,378,784	7,399,251	6,921,508	477,743
Parks and recreation	4,806,578	4,806,578	4,538,321	268,257
Community svc(Subsidized agencies)	474,907	474,907	399,347	75,560
Debt service interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 52,084,898</b>	<b>\$ 52,797,408</b>	<b>\$ 48,927,743</b>	<b>\$ 3,869,665</b>

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$219,754,105, (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 69 – 73 of this report.

TABLE 4

**CITY OF ALBANY**  
**CAPITAL ASSETS (Net of Depreciation)**  
**JUNE 30, 2009**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Capital assets not being depreciated:			
Land	\$ 18,130,988	\$ 12,719,132	\$ 30,850,120
Construction in Progress	1,721,053	3,023,020	4,744,073
<b>Total assets not depreciated</b>	<u>19,852,041</u>	<u>15,742,152</u>	<u>35,594,193</u>
Capital assets being depreciated:			
Buildings and improvements	61,476,681	127,149,237	188,625,918
Equipment and vehicles	24,727,838	27,625,821	52,353,659
Infrastructure	71,050,842	36,656,784	107,707,626
<b>Total assets depreciated</b>	<u>157,255,361</u>	<u>191,431,842</u>	<u>348,687,203</u>
Less accumulated depreciation:			
Buildings and improvements	14,265,445	38,735,680	53,001,125
Equipment and vehicles	14,061,082	15,835,947	29,897,029
Infrastructure	52,412,563	29,216,574	81,629,137
<b>Total accumulated depreciation</b>	<u>80,739,090</u>	<u>83,788,201</u>	<u>164,527,291</u>
<b>Total assets depreciated, net</b>	<u>76,516,271</u>	<u>107,643,641</u>	<u>184,159,912</u>
<b>Capital assets, net</b>	<u><u>\$ 96,368,312</u></u>	<u><u>\$ 123,385,793</u></u>	<u><u>\$ 219,754,105</u></u>

**Long-term Debt.** At the end of the current fiscal year, the City's total long-term debt outstanding is \$67 million – a decrease of \$8.5 million over the previous year. Of this amount, \$12.2 million is due within one year. General obligation bonds (18%) and Revenue Bonds (54%) make up \$48.3 million of the total. The remaining \$18.8 million is comprised of notes payable, certificates of participation, capital leases and compensated absences. Additional information regarding the City's long-term debt can be found in Note 6 pages 72 – 90.

**TABLE 5**

**CITY OF ALBANY LONG TERM DEBT OBLIGATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Balance at June 30, 2009	Percentage of Total	Due Within One Year
<b><u>Governmental Activities</u></b>			
Bonds payable	\$ 12,092,018	18%	\$ 5,905,000
Notes payable	4,925,000	7%	300,000
Certificates of participation	10,000,000	15%	-
Compensated absences	2,897,851	4%	2,614,911
<b>Governmental long-term liabilities</b>	<u>\$ 29,914,869</u>		<u>\$ 8,819,911</u>
 <b><u>Business-Type Activities</u></b>			
Bonds Payable:			
Revenue bonds	\$ 36,670,000		\$ 2,525,000
Less deferred amts on refunding	(494,832)		-
Total bonds payable	36,175,168	54%	2,525,000
Notes payable	51,586	0%	41,166
Compensated absences	902,526	1%	812,273
Business-Type long-term liabilities	37,129,280		3,378,439
<b>Total primary government liabilities</b>	<u>\$ 67,044,149</u>		<u>\$ 12,198,350</u>

The General Obligation Bonds relate to bonds issued for the Municipal Auditorium and the Albany-Dougherty Inner City Authority. The Revenue Bonds relate to sewer system revenue bonds issued in 2001, and 2007. The Certificates of Participation represent the City's purchase of equipment and vehicles from the Georgia Municipal Association Pooled Bond Funds. The Capital Leases represent the City's acquisition of buses to be used by



the Albany Transit System. The Notes Payable represents the City's obligations to the Georgia Environmental Facilities Authority for sewer and solid waste system projects. Compensated absences represent the City's obligation for accrued vacation and sick leave.

### **Bond Ratings**

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

	<u>Moody's</u>	<u>S&amp;P</u>
General Obligation Bonds (Eames Park)	A-3	-
Sewer Revenue Bonds	Aaa	AAA
ADICA Bonds	A-3	-
WG&L (Water Bonds)	A-3	-

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

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

The City is affected by the same economic conditions that influence the State of Georgia and the nation as a whole. 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.

### **REQUEST FOR INFORMATION**

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

## BASIC FINANCIAL STATEMENTS

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# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET ASSETS JUNE 30, 2009

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Chehaw Park Authority	Water, Gas & Light Commission
<b>ASSETS</b>					
Cash and cash equivalents	\$ 16,210,884	\$ 2,848,671	\$ 19,059,555	\$ 105,870	\$ 1,010,770
Investments	29,424,554	9,136,950	38,561,504	-	3,881,895
Taxes receivable	51,886	-	51,886	-	-
Accounts receivable, net of allowances	1,445,045	626,726	2,071,771	1,316	15,130,666
Notes receivable	18,895,290	-	18,895,290	-	-
Inventories	259,252	117,403	376,655	12,246	3,988,244
Internal balances	3,714,708	(3,714,708)	-	-	-
Due from other governments	6,363,731	971,472	7,335,203	-	-
Due from component unit	2,032,323	4,381,148	6,413,471	-	-
Due from primary government	-	-	-	17,534	-
Prepaid expenses	314,131	27,500	341,631	26,500	399,320
Restricted assets:					
Cash	-	1,148,121	1,148,121	-	825,696
Investments	-	10,932,138	10,932,138	-	6,827,945
Deferred charges	66,162	451,289	517,451	-	314,825
Other assets	-	-	-	-	20,278
Capital assets:					
Non-depreciable	19,852,041	15,742,152	35,594,193	1,387,444	1,453,294
Depreciable, net of accumulated depreciation	76,516,271	107,643,641	184,159,912	6,275,075	78,907,617
 Total assets	 175,146,278	 150,312,503	 325,458,781	 7,825,985	 112,760,550

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET ASSETS JUNE 30, 2009

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Chehaw Park Authority	Water, Gas & Light Commission
<b>LIABILITIES</b>					
Accounts payable	\$ 2,747,857	\$ 593,445	\$ 3,341,302	\$ 29,005	\$ 6,742,225
Outstanding checks in excess of bank balance	170,156	-	170,156	-	-
Retainage payable	23,410	-	23,410	-	-
Accrued expenses	2,401,384	997,811	3,399,195	46,004	730,139
Claims payable	2,402,852	1,095,000	3,497,852	-	-
Due to primary government	-	-	-	164,541	6,248,930
Due to component unit	17,534	-	17,534	-	-
Due to other governments	667,085	-	667,085	-	-
Unearned revenues	1,283,630	959,296	2,242,926	7,728	-
Other liabilities	-	-	-	-	-
Payable from restricted assets:					
Advance payments and customer deposits	-	-	-	13,185	1,710,976
Current maturities of long-term debt	-	2,525,000	2,525,000	-	1,020,000
Accrued interest payable	-	-	-	-	87,055
Line of credit	-	-	-	-	1,374,100
Non-current liabilities:					
Certificates of participation, due in more than one year	10,000,000	-	10,000,000	-	-
Bonds payable, due within one year	5,905,000	-	5,905,000	-	-
Bonds payable, due more than one year	6,187,018	33,650,168	39,837,186	-	21,102,780
Notes payable, due within one year	300,000	41,166	341,166	-	-
Notes payable, due more than one year	4,625,000	10,420	4,635,420	-	-
Capital leases payable, due within one year	-	-	-	-	976,786
Capital leases payable, due more than one year	-	-	-	-	5,020,811
Compensated absences payable, due within one year	2,614,911	812,273	3,427,184	-	792,612
Compensated absences payable, due more than one year	282,940	90,253	373,193	-	1,684,300
Other long-term liabilities	497,987	-	497,987	-	1,754,652
<b>Total liabilities</b>	<b>40,126,764</b>	<b>40,774,832</b>	<b>80,901,596</b>	<b>260,463</b>	<b>49,245,366</b>

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET ASSETS JUNE 30, 2009

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Chehaw Park Authority	Water, Gas & Light Commission
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	\$ 78,428,752	\$ 87,159,039	\$ 165,587,791	\$ 7,662,519	\$ 52,240,534
Restricted for:					
Capital projects	15,687,497	-	15,687,497	-	-
Debt service	769,425	3,009,678	3,779,103	-	7,334,857
Unrestricted	40,133,840	19,368,954	59,502,794	(96,997)	3,939,793
Total net assets	<u>\$ 135,019,514</u>	<u>\$ 109,537,671</u>	<u>\$ 244,557,185</u>	<u>\$ 7,565,522</u>	<u>\$ 63,515,184</u>

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

# CITY OF ALBANY, GEORGIA

## STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Chehaw Park Authority	Water, Gas & Light Commission
<b>Primary Government</b>									
Governmental Activities:									
General government	\$ 12,215,564	\$ 2,466,315	\$ 3,096,563	\$ -	\$ (6,652,686)	\$ -	\$ (6,652,686)	\$ -	\$ -
Judicial	952,323	1,109,205	-	-	156,882	-	156,882	-	-
Public safety	31,206,297	1,715,042	3,227,632	-	(26,263,623)	-	(26,263,623)	-	-
Public works	7,695,464	792,786	10,552,016	1,219,811	4,869,149	-	4,869,149	-	-
Parks and recreation	9,079,385	335,993	289,469	-	(8,453,923)	-	(8,453,923)	-	-
Community development	5,591,053	481,049	847,719	813,247	(3,449,038)	-	(3,449,038)	-	-
Community service	399,347	-	76,865	-	(322,482)	-	(322,482)	-	-
Interest on long-term debt	1,549,738	-	-	-	(1,549,738)	-	(1,549,738)	-	-
Total governmental activities	68,689,171	6,900,390	18,090,264	2,033,058	(41,665,459)	-	(41,665,459)	-	-
Business-type Activities:									
Sanitary sewer	14,402,906	15,111,550	-	165,172	-	873,816	873,816	-	-
Solid waste	8,499,616	8,412,723	-	-	-	(86,893)	(86,893)	-	-
Airport	2,415,280	728,191	390,688	2,327,332	-	1,030,931	1,030,931	-	-
Public employee deposit	13,042,126	13,034,004	-	-	-	(8,122)	(8,122)	-	-
Transit	2,902,980	495,279	1,287,617	143,623	-	(976,461)	(976,461)	-	-
Civic Center	1,603,124	255,803	-	233,747	-	(1,113,574)	(1,113,574)	-	-
Municipal Auditorium	192,119	52,565	-	3,028	-	(136,526)	(136,526)	-	-
Total business-type activities	43,058,151	38,090,115	1,678,305	2,872,902	-	(416,829)	(416,829)	-	-
Total primary government	\$ 111,747,322	\$ 44,990,505	\$ 19,768,569	\$ 4,905,960	\$ (41,665,459)	\$ (416,829)	\$ (42,082,288)	\$ -	\$ -
<b>Component Units:</b>									
Chehaw Park Authority	\$ 2,069,563	\$ 588,419	\$ 1,110,794	\$ -	\$ -	\$ -	\$ -	\$ (370,350)	\$ -
Water, Gas & Light Commission	106,338,614	104,019,785	-	-	-	-	-	-	(2,318,829)
Total component units	\$ 108,408,177	\$ 104,608,204	\$ 1,110,794	\$ -	\$ -	\$ -	\$ -	\$ (370,350)	\$ (2,318,829)
General revenues:									
Property taxes					\$ 13,964,606	\$ -	\$ 13,964,606	\$ -	\$ -
Sales taxes					18,269,427	-	18,269,427	-	-
Franchise taxes					2,272,999	-	2,272,999	-	-
Insurance premium tax					4,323,680	-	4,323,680	-	-
Alcoholic beverage tax					1,433,699	-	1,433,699	-	-
Hotel/Motel tax					1,311,461	-	1,311,461	-	-
Other taxes					171,428	-	171,428	-	-
Investment income					1,163,072	251,223	1,414,295	559	432,208
Gain on sale of assets					-	-	-	-	58,968
Transfers					(2,883,904)	2,883,904	-	-	-
Total general revenues and transfers					40,026,466	3,135,127	43,161,595	559	491,176
Change in net assets					(1,638,991)	2,718,298	1,079,307	(369,791)	(1,827,653)
Net assets - beginning of year, restated					136,658,505	106,819,373	243,477,878	7,935,313	65,342,837
Net assets - end of year					\$ 135,019,514	\$ 109,537,671	\$ 244,557,185	\$ 7,565,522	\$ 63,515,184

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

**CITY OF ALBANY, GEORGIA  
GOVERNMENTAL FUNDS**

**BALANCE SHEET  
JUNE 30, 2009**

	General Fund	Community Development Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 10,935,286	\$ 3,742,798	\$ -	\$ 1,450,724	\$ 16,128,808
Investments	1,737,854	-	15,549,380	6,768,857	24,056,091
Receivables, net of allowance:					
Taxes	51,886	-	-	-	51,886
Accounts	1,024,290	-	-	420,755	1,445,045
Notes	-	18,845,290	-	50,000	18,895,290
Due from other funds	9,138,616	-	-	2,119,274	11,257,890
Due from other governments	2,310,269	349,431	2,539,903	1,164,128	6,363,731
Due from component units	1,714,323	-	-	318,000	2,032,323
Inventories	259,252	-	-	-	259,252
Prepaid items	314,131	-	-	-	314,131
Advance to other funds	3,721,935	-	-	2,130,437	5,852,372
Total assets	<u>\$ 31,207,842</u>	<u>\$ 22,937,519</u>	<u>\$ 18,089,283</u>	<u>\$ 14,422,175</u>	<u>\$ 86,656,819</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Excess checks over deposits	\$ -	\$ -	\$ 170,156	\$ -	\$ 170,156
Accounts payable	2,205,428	210,375	86,920	245,134	2,747,857
Retainage payable	-	-	23,410	-	23,410
Accrued liabilities	2,018,444	137,969	-	-	2,156,413
Due to other funds	3,320,338	544,394	1,164,185	2,304,501	7,333,418
Due to other governments	328,075	-	339,010	-	667,085
Due to component units	-	-	17,534	-	17,534
Deferred revenues	412,787	18,845,290	600,571	82,488	19,941,136
Advances from other funds	-	-	-	3,721,935	3,721,935
Total liabilities	<u>8,285,072</u>	<u>19,738,028</u>	<u>2,401,786</u>	<u>6,354,058</u>	<u>36,778,944</u>

(Continued)

**CITY OF ALBANY, GEORGIA  
GOVERNMENTAL FUNDS**

**BALANCE SHEET  
JUNE 30, 2009**

	General Fund	Community Development Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
<b>FUND BALANCES</b>					
Reserved:					
Reserved for inventories	\$ 259,252	\$ -	\$ -	\$ -	\$ 259,252
Reserved for prepaid items	314,131	-	-	-	314,131
Reserved for advances to other funds	3,721,935	-	-	2,130,437	5,852,372
Reserved for program expenditures	-	-	-	45,645	45,645
Reserved for debt service	-	-	-	769,425	769,425
Unreserved, reported in:					
General fund	18,627,452	-	-	-	18,627,452
Special revenue funds	-	3,199,491	-	2,476,655	5,676,146
Capital projects funds	-	-	15,687,497	2,645,955	18,333,452
Total fund balances	<u>22,922,770</u>	<u>3,199,491</u>	<u>15,687,497</u>	<u>8,068,117</u>	<u>49,877,875</u>
Total liabilities and fund balances	<u>\$ 31,207,842</u>	<u>\$ 22,937,519</u>	<u>\$ 18,089,283</u>	<u>\$ 14,422,175</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	96,368,312
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	18,657,506
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 assets.	707,486
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(30,591,665)
Net assets of governmental activities	<u>\$ 135,019,514</u>

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



**CITY OF ALBANY, GEORGIA  
GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	General Fund	Community Development Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 13,964,606	\$ -	\$ -	\$ -	\$ 13,964,606
Sales taxes	7,500,062	-	9,718,112	765,617	17,983,791
Other taxes	8,201,806	-	-	1,311,461	9,513,267
Licenses and permits	2,258,362	-	-	-	2,258,362
Intergovernmental	16,656,922	1,410,966	-	2,055,434	20,123,322
Charges for services	448,705	116,666	-	1,667,743	2,233,114
Fines and forfeitures	1,025,445	-	-	-	1,025,445
Interest income	300,657	4,285	258,351	523,996	1,087,289
Other	1,018,736	1,719,082	-	391	2,738,209
Total revenues	51,375,301	3,250,999	9,976,463	6,324,642	70,927,405
<b>Expenditures:</b>					
Current:					
General government	8,976,530	-	-	-	8,976,530
Judicial	929,956	-	-	56,403	986,359
Public safety	27,162,081	-	-	1,493,477	28,655,558
Public works	6,921,508	-	-	69,036	6,990,544
Parks and recreation	4,538,321	-	-	4,306	4,542,627
Community development	-	3,071,600	-	1,947,210	5,018,810
Community service	399,347	-	-	-	399,347
Capital outlay	-	-	7,582,430	3,531,834	11,114,264
Debt service:					
Principal	-	300,000	5,700,000	-	6,000,000
Interest	-	245,709	737,750	518,000	1,501,459
Total expenditures	48,927,743	3,617,309	14,020,180	7,620,266	74,185,498
Excess (deficiency) of revenues over expenditures	2,447,558	(366,310)	(4,043,717)	(1,295,624)	(3,258,093)

(Continued)

**CITY OF ALBANY, GEORGIA  
GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	General Fund	Community Development Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
<b>Other financing sources (uses):</b>					
Proceeds from sale of assets	\$ 140,225	\$ 66,533	\$ -	\$ -	\$ 206,758
Transfers in	1,344,633	-	-	925,764	2,270,397
Transfers out	(3,522,435)	-	-	(1,631,866)	(5,154,301)
Total other financing sources (uses)	<u>(2,037,577)</u>	<u>66,533</u>	<u>-</u>	<u>(706,102)</u>	<u>(2,677,146)</u>
 Net change in fund balances	 409,981	 (299,777)	 (4,043,717)	 (2,001,726)	 (5,935,239)
 Fund balances, beginning of year	 <u>22,512,789</u>	 <u>3,499,268</u>	 <u>19,731,214</u>	 <u>10,069,843</u>	 <u>55,813,114</u>
 Fund balances, end of year	 <u>\$ 22,922,770</u>	 <u>\$ 3,199,491</u>	 <u>\$ 15,687,497</u>	 <u>\$ 8,068,117</u>	 <u>\$ 49,877,875</u>

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

**CITY OF ALBANY, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

Net change in fund balances - total governmental funds	\$ (5,935,239)
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.	3,285,899
The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.	(1,070,884)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,069,104)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This amount is the effect of the principal payments on capital leases and general obligation bonds and amortization of bond premiums and issuance costs.	6,005,727
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.	(493,135)
Internal service funds are used by management to charge the costs of insurance to individual funds.	(2,438,038)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>75,783</u>
Change in net assets of governmental activities	<u>\$ (1,638,991)</u>

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

**CITY OF ALBANY, GEORGIA**  
**GENERAL FUND AND MAJOR SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	General Fund				Community Development Fund		
	Original Budget	Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Revenues:</b>							
Property taxes	\$ 14,667,103	\$ 14,150,520	\$ 13,964,606	\$ (185,914)	\$ -	\$ -	\$ -
Sales taxes	9,100,000	9,100,000	7,500,062	(1,599,938)	-	-	-
Other taxes	8,118,203	8,118,203	8,201,806	83,603	-	-	-
Licenses and permits	2,371,431	2,371,431	2,258,362	(113,069)	-	-	-
Intergovernmental	13,113,463	14,565,163	16,656,922	2,091,759	1,733,284	1,410,966	(322,318)
Charges for services	560,505	560,505	448,705	(111,800)	471,679	116,666	(355,013)
Fines and forfeitures	1,245,167	1,245,167	1,025,445	(219,722)	-	-	-
Interest income	350,000	350,000	300,657	(49,343)	-	4,285	4,285
Other	926,997	959,528	1,018,736	59,208	362,728	1,719,082	1,356,354
Total revenues	50,452,869	51,420,517	51,375,301	(45,216)	2,567,691	3,250,999	683,308
<b>Expenditures:</b>							
Current:							
General government:							
Legislative	464,488	464,488	415,157	49,331	-	-	-
Administrative	1,186,024	1,216,024	1,092,279	123,745	-	-	-
Human resources	1,881,823	2,581,823	2,071,411	510,412	-	-	-
Procurement and materials mgmt.	656,951	656,951	636,266	20,685	-	-	-
Printing	209,696	209,696	219,740	(10,044)	-	-	-
Materials management	284,555	284,555	259,497	25,058	-	-	-
Finance	2,770,183	2,770,183	2,490,552	279,631	-	-	-
Information technology	1,535,032	1,535,032	1,321,711	213,321	-	-	-
Risk management	922,290	522,290	469,917	52,373	-	-	-
Total general government	9,911,042	10,241,042	8,976,530	1,264,512	-	-	-
Judicial:							
Municipal court	546,151	546,151	413,950	132,201	-	-	-
City Attorney	546,258	546,258	516,006	30,252	-	-	-
Total judicial	1,092,409	1,092,409	929,956	162,453	-	-	-

(Continued)

**CITY OF ALBANY, GEORGIA**  
**GENERAL FUND AND MAJOR SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	General Fund				Community Development Fund		
	Original Budget	Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Expenditures:</b>							
Current:							
Public safety:							
Police	\$ 15,254,668	\$ 15,523,785	\$ 14,535,624	\$ 988,161	\$ -	\$ -	\$ -
Fire	11,229,771	11,429,771	11,099,212	330,559	-	-	-
Planning and development services	1,545,688	1,445,688	1,199,609	246,079	-	-	-
Marshal division	391,051	383,977	327,636	56,341	-	-	-
Total public safety	28,421,178	28,783,221	27,162,081	1,621,140	-	-	-
Public works:							
Administration	267,999	268,249	253,391	14,858	-	-	-
Engineering	3,767,438	3,767,438	3,522,907	244,531	-	-	-
Code enforcement	853,775	874,242	875,208	(966)	-	-	-
Street maintenance	2,489,572	2,489,322	2,270,002	219,320	-	-	-
Total public works	7,378,784	7,399,251	6,921,508	477,743	-	-	-
Parks and recreation:							
Administration	305,216	305,216	341,957	(36,741)	-	-	-
Parks	3,366,830	3,365,870	3,178,684	187,186	-	-	-
Park development and management	312,792	310,092	234,916	75,176	-	-	-
Turner Golf Course	420,806	420,806	415,930	4,876	-	-	-
Special services	96,791	96,791	102,826	(6,035)	-	-	-
Cemetery	304,143	307,803	264,008	43,795	-	-	-
Total parks and recreation	4,806,578	4,806,578	4,538,321	268,257	-	-	-
Community development	-	-	-	-	2,021,982	3,071,600	(1,049,618)
Community service, various subsidized agencies	474,907	474,907	399,347	75,560	-	-	-

(Continued)

**CITY OF ALBANY, GEORGIA**  
**GENERAL FUND AND MAJOR SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	General Fund				Community Development Fund		
	Original Budget	Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Expenditures:</b>							
Debt service:							
Principal	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000	\$ -
Interest	-	-	-	-	245,709	245,709	-
Total expenditures	<u>52,084,898</u>	<u>52,797,408</u>	<u>48,927,743</u>	<u>3,869,665</u>	<u>2,567,691</u>	<u>3,617,309</u>	<u>(1,049,618)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,632,029)</u>	<u>(1,376,891)</u>	<u>2,447,558</u>	<u>3,824,449</u>	<u>-</u>	<u>(366,310)</u>	<u>(366,310)</u>
<b>Other financing sources (uses):</b>							
Proceeds from sale of assets	150,000	150,000	140,225	(9,775)	-	66,533	66,533
Transfers in	1,344,633	1,344,633	1,344,633	-	-	-	-
Transfers out	(3,460,754)	(3,715,892)	(3,522,435)	193,457	-	-	-
Total other financing sources (uses)	<u>(1,966,121)</u>	<u>(2,221,259)</u>	<u>(2,037,577)</u>	<u>183,682</u>	<u>-</u>	<u>66,533</u>	<u>66,533</u>
Net change in fund balances	<u>\$ (3,598,150)</u>	<u>\$ (3,598,150)</u>	<u>409,981</u>	<u>\$ 4,008,131</u>	<u>\$ -</u>	<u>(299,777)</u>	<u>\$ (299,777)</u>
Fund balance, beginning of year			<u>22,512,789</u>			<u>3,499,268</u>	
Fund balance, end of year			<u>\$ 22,922,770</u>			<u>\$ 3,199,491</u>	

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

**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF NET ASSETS  
JUNE 30, 2009**

ASSETS	Sanitary Sewer Fund	Solid Waste Fund	Airport Fund	Public Employee Deposit Fund	Other Enterprise Funds	Totals	Internal Service Funds
<b>CURRENT ASSETS</b>							
Cash	\$ 1,020,791	\$ 26,291	\$ 930,556	\$ 336,226	\$ 534,807	\$ 2,848,671	\$ 82,076
Restricted cash	1,148,121	-	-	-	-	1,148,121	-
Restricted investments	10,932,138	-	-	-	-	10,932,138	-
Investments	9,125,708	-	-	11,242	-	9,136,950	5,368,463
Accounts receivable, net of allowances	603,105	-	-	-	23,621	626,726	-
Inventories	-	-	-	-	117,403	117,403	-
Prepaid expenses	-	-	27,500	-	-	27,500	-
Due from other governments	-	-	363,148	-	608,324	971,472	-
Due from other funds	1,800,824	-	-	634,598	37,348	2,472,770	-
Due from component unit	2,257,605	1,847,725	-	275,818	-	4,381,148	-
Total current assets	26,888,292	1,874,016	1,321,204	1,257,884	1,321,503	32,662,899	5,450,539
<b>NONCURRENT ASSETS</b>							
Deferred bond issuance, unamortized balance	451,289	-	-	-	-	451,289	-
Capital assets:							
Non-depreciable	4,654,196	907,035	7,039,066	-	3,141,855	15,742,152	-
Depreciable, net of accumulated depreciation	71,875,579	3,400,164	19,280,558	-	13,087,340	107,643,641	-
Total noncurrent assets	76,981,064	4,307,199	26,319,624	-	16,229,195	123,837,082	-
Total assets	103,869,356	6,181,215	27,640,828	1,257,884	17,550,698	156,499,981	5,450,539

(Continued)

**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF NET ASSETS  
JUNE 30, 2009**

	Sanitary Sewer Fund	Solid Waste Fund	Airport Fund	Public Employee Deposit Fund	Other Enterprise Funds	Totals	Internal Service Funds
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Payable from current assets:							
Accounts payable	\$ 125,514	\$ 253,715	\$ 52,682	\$ 161,534	\$ -	\$ 593,445	\$ -
Accrued liabilities	855,244	219	-	-	142,348	997,811	-
Claims payable	-	-	-	1,095,000	-	1,095,000	2,402,852
Current portion - notes payable	41,166	-	-	-	-	41,166	-
Current portion - compensated absences	349,984	282,779	34,490	1,215	143,805	812,273	-
Due to other funds	2,672,371	979,595	764,024	-	5,242	4,421,232	1,976,010
Deferred revenues	26,493	-	820,460	-	112,343	959,296	-
	<u>4,070,772</u>	<u>1,516,308</u>	<u>1,671,656</u>	<u>1,257,749</u>	<u>403,738</u>	<u>8,920,223</u>	<u>4,378,862</u>
Payable from restricted assets:							
Revenue bonds payable, current	<u>2,525,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,525,000</u>	<u>-</u>
Total current liabilities	<u>6,595,772</u>	<u>1,516,308</u>	<u>1,671,656</u>	<u>1,257,749</u>	<u>403,738</u>	<u>11,445,223</u>	<u>4,378,862</u>
<b>NONCURRENT LIABILITIES</b>							
Advance from other funds	1,178,155	945,964	1,074	-	5,244	2,130,437	-
Revenue bonds payable, net of current portion	33,650,168	-	-	-	-	33,650,168	-
Notes payable, net of current portion	10,420	-	-	-	-	10,420	-
Compensated absences, net of current portion	38,887	31,420	3,832	135	15,979	90,253	-
Total long-term liabilities	<u>34,877,630</u>	<u>977,384</u>	<u>4,906</u>	<u>135</u>	<u>21,223</u>	<u>35,881,278</u>	<u>-</u>
Total liabilities	<u>41,473,402</u>	<u>2,493,692</u>	<u>1,676,562</u>	<u>1,257,884</u>	<u>424,961</u>	<u>47,326,501</u>	<u>4,378,862</u>

(Continued)



**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF NET ASSETS  
JUNE 30, 2009**

	Sanitary Sewer Fund	Solid Waste Fund	Airport Fund	Public Employee Deposit Fund	Other Enterprise Funds	Totals	Internal Service Funds
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	\$ 40,303,021	\$ 4,307,199	\$ 26,319,624	\$ -	\$ 16,229,195	\$ 87,159,039	\$ -
Restricted for renewal and replacement	3,211,816	-	-	-	-	3,211,816	-
Restricted for debt service	3,009,678	-	-	-	-	3,009,678	-
Unrestricted	15,871,439	(619,676)	(355,358)	-	896,542	15,792,947	1,071,677
Total net assets	<u>\$ 62,395,954</u>	<u>\$ 3,687,523</u>	<u>\$ 25,964,266</u>	<u>\$ -</u>	<u>\$ 17,125,737</u>	<u>109,173,480</u>	<u>\$ 1,071,677</u>

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

Net assets of business type activities

364,191  
\$ 109,537,671

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

**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Sanitary Sewer Fund	Solid Waste Fund	Airport Fund	Public Employee Deposit Fund	Other Enterprise Funds	Totals	Internal Service Funds
<b>Operating revenues:</b>							
Charges for services	\$ 14,954,290	\$ 8,312,018	\$ 728,191	\$ 13,034,004	\$ 803,647	\$ 37,832,150	\$ 483,691
Other	57,260	705	-	-	-	57,965	37,508
Total operating revenues	15,011,550	8,312,723	728,191	13,034,004	803,647	37,890,115	521,199
<b>Operating expenses:</b>							
Personnel costs	3,442,925	2,139,279	894,993	24,106	2,163,860	8,665,163	-
General and administrative	-	50	-	998,490	-	998,540	363,694
Supplies	398,773	18,438	56,521	-	76,516	550,248	-
Operating services and charges	4,269,720	4,867,951	369,583	-	1,169,909	10,677,163	-
Maintenance and repairs	1,005,542	650,483	71,629	-	264,494	1,992,148	-
Depreciation and amortization	3,357,063	434,571	1,014,830	-	904,618	5,711,082	-
Claims and damages	-	-	-	12,011,806	-	12,011,806	2,705,885
Total operating expenses	12,474,023	8,110,772	2,407,556	13,034,402	4,579,397	40,606,150	3,069,579
Operating income (loss)	2,537,527	201,951	(1,679,365)	(398)	(3,775,750)	(2,716,035)	(2,548,380)
<b>Nonoperating revenues (expenses):</b>							
Interest income	235,656	-	13,991	398	1,178	251,223	75,783
Interest expense and fiscal charges	(1,684,148)	(332)	-	-	(1,388)	(1,685,868)	-
Intergovernmental	100,000	100,000	2,718,020	-	1,287,617	4,205,637	-
Loss on sale of capital assets	(211,632)	(349,893)	-	-	(94,266)	(655,791)	-
Total nonoperating revenues (expenses)	(1,560,124)	(250,225)	2,732,011	398	1,193,141	2,115,201	75,783

(Continued)

**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Sanitary Sewer Fund	Solid Waste Fund	Airport Fund	Public Employee Deposit Fund	Other Enterprise Funds	Totals	Internal Service Funds
Income (loss) before contributions and transfers	\$ 977,403	\$ (48,274)	\$ 1,052,646	\$ -	\$ (2,582,609)	\$ (600,834)	\$ (2,472,597)
Capital contributions	165,172	-	-	-	380,398	545,570	-
<b>Transfers</b>							
Transfers in (out)	(62,542)	276,908	562,763	-	2,106,775	2,883,904	-
Total transfers	(62,542)	276,908	562,763	-	2,106,775	2,883,904	-
Change in net assets	1,080,033	228,634	1,615,409	-	(95,436)	2,828,640	(2,472,597)
Total net assets, beginning of year	61,315,921	3,458,889	24,348,857	-	17,221,173		3,544,274
Total net assets, end of year	\$ 62,395,954	\$ 3,687,523	\$ 25,964,266	\$ -	\$ 17,125,737		\$ 1,071,677
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds						(110,342)	
Change in net assets of business type activities						\$ 2,718,298	

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

**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Sanitary Sewer Fund	Solid Waste Fund	Airport Fund	Public Employee Deposit Fund	Other Enterprise Funds	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 14,832,434	\$ 8,344,483	\$ 597,495	\$ 14,137,732	\$ 744,007	\$ 38,656,151	\$ -
Receipts from other funds	-	-	-	-	-	-	1,092,700
Payments to suppliers	(5,157,702)	(6,046,631)	(75,208)	-	(2,140,212)	(13,419,753)	-
Payments to employees	(3,371,780)	(2,121,122)	(916,541)	(22,756)	(2,020,015)	(8,452,214)	-
Claims paid	-	-	-	(12,900,260)	-	(12,900,260)	(1,556,436)
Premiums paid	-	-	-	(998,490)	-	(998,490)	(343,694)
Net cash provided by (used in) operating activities	6,302,952	176,730	(394,254)	216,226	(3,416,220)	2,885,434	(807,430)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>							
Transfers in	(62,542)	276,908	562,763	-	2,106,775	2,883,904	-
Operating grants received	100,000	100,000	-	-	1,287,617	1,487,617	-
Net cash provided by noncapital financing activities	37,458	376,908	562,763	-	3,394,392	4,371,521	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Acquisition and construction of capital assets	(952,010)	(607,537)	(2,699,466)	-	-	(4,259,013)	-
Principal paid on bonds	(2,440,000)	-	-	-	-	(2,440,000)	-
Principal paid on notes and capital leases payable	(40,549)	(27,920)	-	-	(58,680)	(127,149)	-
Interest paid	(1,733,422)	(332)	-	-	(1,388)	(1,735,142)	-
Advance from other funds	91,626	19,150	(5,081)	-	(5,242)	100,453	-
Capital grants received	-	-	2,413,769	-	-	2,413,769	-
Proceeds from sale of capital assets	12,094	23,795	-	-	17,688	53,577	-
Net cash used in capital and related financing activities	(5,062,261)	(592,844)	(290,778)	-	(47,622)	(5,993,505)	-

(Continued)

**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Sanitary Sewer Fund	Solid Waste Fund	Airport Fund	Public Employee Deposit Fund	Other Enterprise Funds	Totals	Internal Service Funds
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest on investments	\$ 235,656	\$ -	\$ 13,991	\$ 398	\$ 1,178	\$ 251,223	\$ 75,783
Net cash provided by investing activities	235,656	-	13,991	398	1,178	251,223	75,783
<b>Increase (decrease) in cash and cash equivalents</b>	1,513,805	(39,206)	(108,278)	216,624	(68,272)	1,514,673	(731,647)
<b>Cash and cash equivalents:</b>							
Beginning of year	20,712,953	65,497	1,038,834	130,844	603,079	22,551,207	6,182,186
End of year	<u>\$ 22,226,758</u>	<u>\$ 26,291</u>	<u>\$ 930,556</u>	<u>\$ 347,468</u>	<u>\$ 534,807</u>	<u>\$ 24,065,880</u>	<u>\$ 5,450,539</u>
<b>Classified as:</b>							
Cash	\$ 1,020,791	\$ 26,291	\$ 930,556	\$ 336,226	\$ 534,807	\$ 2,848,671	\$ 82,076
Investments	9,125,708	-	-	11,242	-	9,136,950	5,368,463
Restricted assets, cash	1,148,121	-	-	-	-	1,148,121	-
Restricted assets, investments	10,932,138	-	-	-	-	10,932,138	-
	<u>\$ 22,226,758</u>	<u>\$ 26,291</u>	<u>\$ 930,556</u>	<u>\$ 347,468</u>	<u>\$ 534,807</u>	<u>\$ 24,065,880</u>	<u>\$ 5,450,539</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>							
Contributions of capital assets from governmental activities	<u>\$ 165,172</u>	<u>\$ 12,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380,397</u>	<u>\$ 558,455</u>	<u>\$ -</u>

(Continued)

**CITY OF ALBANY, GEORGIA  
PROPRIETARY FUNDS**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Sanitary Sewer Fund	Solid Waste Fund	Airport Fund	Public Employee Deposit Fund	Other Enterprise Funds	Totals	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>							
Operating income (loss)	\$ 2,537,527	\$ 201,951	\$ (1,679,365)	\$ (398)	\$ (3,775,750)	\$ (2,716,035)	\$ (2,548,380)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	3,357,063	434,571	1,014,830	-	904,618	5,711,082	-
(Increase) decrease in accounts receivable	(179,116)	31,760	-	-	2,358	(144,998)	-
Increase in inventories	-	-	-	-	(11,527)	(11,527)	-
Increase in prepaid expenses	-	-	(27,500)	-	-	(27,500)	-
Decrease in due from other governments	-	-	-	762,164	131,890	894,054	-
(Increase) decrease in due from other funds	75,523	-	-	395,040	(37,348)	433,215	-
(Increase) decrease in due from component unit	176,657	(69,752)	-	(53,476)	-	53,429	-
Decrease in outstanding checks in excess of bank balance	-	-	-	(119,988)	-	(119,988)	-
Increase in accounts payable and other liabilities	207,289	50,091	31,134	1,350	143,845	433,709	-
Increase (decrease) in claims payable	-	-	-	(768,466)	-	(768,466)	1,169,449
Increase (decrease) in due to other funds	128,009	(471,891)	397,343	-	(749,656)	(696,195)	571,501
Decrease in deferred revenues	-	-	(130,696)	-	(24,650)	(155,346)	-
Net cash provided by (used in) operating activities	<u>\$ 6,302,952</u>	<u>\$ 176,730</u>	<u>\$ (394,254)</u>	<u>\$ 216,226</u>	<u>\$ (3,416,220)</u>	<u>\$ 2,885,434</u>	<u>\$ (807,430)</u>

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

**CITY OF ALBANY, GEORGIA  
PENSION FUND**

**STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2009**

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<b>ASSETS</b>	
Cash	\$ 3,814,431
Investments at fair value:	
Equity securities	60,615,270
Government securities	9,716,795
Corporate bonds	5,686,758
Total investments	<u>76,018,823</u>
Interest receivable	<u>204,355</u>
Total assets	<u>80,037,609</u>
<b>LIABILITIES</b>	
Accrued expenses	40
Accounts payable	<u>546,345</u>
Total liabilities	<u>546,385</u>
<b>NET ASSETS</b>	
Held in trust for pension benefits (A schedule of funding progress is presented on page 113)	<u><u>\$ 79,491,224</u></u>

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

**CITY OF ALBANY, GEORGIA  
PENSION FUND**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**ADDITIONS:**

Employer contributions	\$ 7,060,720
Investment earnings	
Interest and dividends	2,543,964
Refunds and other income	2,861
Net decrease in fair value of investments	<u>(17,702,874)</u>
Total investment earnings	(15,156,049)
Less investment expense	<u>574,652</u>
Net investment earnings	<u>(15,730,701)</u>
 Total additions	 <u>(8,669,981)</u>

**DEDUCTIONS:**

Benefit payments	9,337,980
Administrative expense	<u>45,729</u>
 Total deductions	 <u>9,383,709</u>
 Change in net assets	 (18,053,690)

<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>97,544,914</u>
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<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 79,491,224</u></u>
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The notes to the financial statements are an integral part of this statement.



**CITY OF ALBANY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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

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

**A. The Financial Reporting Entity**

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

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.

In conformity with generally accepted accounting principles, as set forth in the Statement of Governmental Accounting Standards No. 14, "The Financial Reporting Entity", the component unit's financial statements have been included as blended or discretely presented. Blended component units, although legally separate entities, are in substance part of the City's operations and so financial data from these units are combined with the financial data of the primary government. Each discretely presented component unit, on the other hand, is reported separately in the government-wide financial statements to emphasize that it is legally separate from the City. All blended and discretely presented component units have June 30 year-ends.

## NOTES TO FINANCIAL STATEMENTS

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

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

##### Blended Component Unit

**Albany Dougherty Inner City Authority (ADICA)** - The City Commission appoints six of seven members of ADICA's board. Budget requests for ADICA are submitted to the Commission for approval, with the City Commission possessing authority to revise ADICA's budget. The City provides 90% of ADICA's annual budget, primarily under a lease arrangement on the Civic Center whereby the City guarantees payment of bond debt because ADICA's primary purpose is to provide services to the City. The City, however, does not participate in the selection or monitoring of management. Complete financial statements for ADICA can be obtained from ADICA's administrative office located at 212½ West Broad Avenue, Albany, Georgia 31701.

##### Discretely Presented Component Units

**Water, Gas and Light Commission (the "Commission")** - The City appoints all members of the Water, Gas and Light Commission's Board of Directors. The Commission provides operating income to the City through monthly transfers. Additionally, the Commission collects all sewer and solid waste fees for the City. Complete financial statements for the Water, Gas and Light Commission can be obtained from the Commission's administrative office located at 207 Pine Avenue, Albany, Georgia 31701.

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

## NOTES TO FINANCIAL STATEMENTS

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

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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 *discretely presented component units*.

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

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

## NOTES TO FINANCIAL STATEMENTS

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

#### The City reports the following major governmental funds:

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

The **Community Development Fund** (special revenue fund) accounts for the financial resources to be used for the operations of various community development grant programs.

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

## NOTES TO FINANCIAL STATEMENTS

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

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

The 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 **Solid Waste Fund** accounts for the provisions of solid waste collection and disposal 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 **Public Employees Deposit Fund** accounts for employer and employee contributions to be used for the payment of employee health claims. The City, Dougherty County, and Albany Water Gas and Light pool their resources and share the risk.

The City also reports the following fund types:

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

**Debt service funds** account for the resources accumulated and payments made for principal and interest on long-term debt of the City.

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

## NOTES TO FINANCIAL STATEMENTS

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

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

*Internal service funds* account for general liability, long-term disability, and workers' compensation claims.

The *pension trust fund* accounts for the activities of the City of Albany Pension Plan, which accumulates resources for pension benefit payments to qualified employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private sector guidance.

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. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

## NOTES TO FINANCIAL STATEMENTS

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

#### D. Budgets and Budgetary Accounting

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

1. Budget requests are completed in March of each year.
2. Proposed budgets are reviewed and prepared by the City Manager and the Finance Committee for submission to the Mayor and the City Commission in May.
3. Public hearings on the proposed budget are held in May. Individual amendments were not material in relation to the original appropriations.
4. The budget is legally adopted by the Mayor and City Commission in June of each year.
5. The City of Albany's budget amendment/budget transfer process is regulated by the official code of Georgia and local policies. The legal level of budgetary control (the level at which expenditures may not exceed appropriations) for annual budgets is at the fund/department level. Any increase in appropriation in any fund or department, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the Board of Commissioners. The City Commission made no supplemental budget appropriations during the year.

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

6. Annual appropriated budgets are legally adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund, Special Revenue Funds, and Debt Service Funds. Sufficient budgetary control is achieved through restrictions included in the various grant agreements. Annual operating budgets are prepared for each Enterprise and Internal Service Fund for planning, control, cost allocation, and evaluation purposes.

## NOTES TO FINANCIAL STATEMENTS

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

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

7. Revenues and expenditures of the Capital Projects Funds are budgeted on a project basis and are, therefore, excluded from presentation in the financial statements.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations 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 Projects Funds, which are continuing. Encumbrances do not represent GAAP expenditures. At June 30, 2009, there were no encumbrances outstanding.

In the General Fund, expenditures exceeded budget for printing by \$10,044, code enforcement by \$966, parks and recreation administration by \$36,741, and special services by \$6,035 for the fiscal year ended June 30, 2009. In the Community Development Fund, expenditures exceeded budget by \$1,049,618 for the fiscal year ended June 30, 2009. In the blended component unit ADICA, expenditures exceeded budget by \$142,687 for the fiscal year ended June 30, 2009. In all funds, the overexpenditures were funded by greater than anticipated revenues.

The blended component unit ADICA had a fund balance deficit of \$42,450 at June 30, 2009. The deficit resulted from less than expected contributions. This deficit will be eliminated through transfers from the City's General Fund.



## NOTES TO FINANCIAL STATEMENTS

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

#### E. Cash and Cash Equivalents

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

#### F. Investments

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

#### F. Investments (Continued)

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

#### G. Inventory

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

#### H. Prepaid Items

Certain payments made to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### 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."

## NOTES TO FINANCIAL STATEMENTS

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

#### I. Receivables/Payables (Continued)

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.

#### 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. Governmental (general) capital assets are recorded as expenditures in the governmental funds and capitalized at cost in the government-wide statement of net assets. 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 of the Water, Gas and Light Commission (component unit) is included as part of the capitalized value of assets. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. No interest was capitalized during the fiscal year ended June 30, 2009.

## NOTES TO FINANCIAL STATEMENTS

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

#### J. Capital Assets (Continued)

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

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

#### K. Compensated Absences

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

#### L. Change in Accounting Policy

As discussed in Note 8 and Note 19, the City changed its accounting and funding policies related to the City of Albany Pension Plan. The City will now have a required contribution which is an actuarially determined percentage of payroll each year, as opposed to a required contribution equal to a set dollar amount.

## NOTES TO FINANCIAL STATEMENTS

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

#### **M. 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 assets. Bond premiums and discounts, issuance costs, and gains or losses on debt refundings 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received 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.

#### **N. Fund Equity**

In governmental funds, reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific use. Designated fund balances represent tentative plans for future use of financial resources.

#### **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

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### 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 Assets

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. 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 \$30,591,665 difference are as follows:

Notes payable	\$ 4,925,000
Bonds payable	12,020,000
Unamortized bond premium	72,018
Unamortized bond issuance costs	(66,162)
Certificates of participation	10,000,000
Compensated absences	2,897,851
Other post-employment benefit obligation	497,987
Accrued interest payable	244,971
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 30,591,665</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that

## NOTES TO FINANCIAL STATEMENTS

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

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

"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 \$3,285,899 difference are as follows:

Capital outlay	\$ 7,116,292
Depreciation expense	<u>(3,830,393)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities</i>	<u>\$ 3,285,899</u>

Another element of that reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets." The details of this \$1,070,884 differences are as follows:

Transfers of capital assets to business-type activities	\$ (390,532)
Disposals of capital assets	<u>(680,352)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities</i>	<u>\$ (1,070,884)</u>

## NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation explains that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, 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 \$6,005,727 difference are as follows:

Principal repayment - general obligation bonds	\$ 5,700,000
Principal repayment - notes payable	300,000
Amortization of bond premium	70,433
Amortization of bond issuance costs	<u>(64,706)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities</i>	<u>\$ 6,005,727</u>



## NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$493,135 difference are as follows:

Compensated absences	\$ 58,858
Accrued interest	(54,006)
Other post-employment benefit obligation	<u>(497,987)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u><u>\$ (493,135)</u></u>

### NOTE 3. DEPOSITS AND INVESTMENTS

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

## NOTES TO FINANCIAL STATEMENTS

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

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

**Custodial credit risk – deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2009, none of the City deposits were 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, 2009, 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	
Government securities	\$ 9,717	\$ 952	\$ 3,369	\$ 2,812	\$ 2,188	\$ -	\$ 396	\$ -	AAA
Common stock	42,284	N/A	-	-	-	-	-	-	N/A
Preferred stock	1,544	N/A	-	-	-	-	-	-	N/A
Corporate bonds	208	-	208	-	-	-	-	-	AA+
Corporate bonds	181	-	181	-	-	-	-	-	AA
Corporate bonds	735	-	735	-	-	-	-	-	AA-
Corporate bonds	3,362	-	1,924	510	928	-	-	-	A+
Corporate bonds	1,030	-	1,030	-	-	-	-	-	A
Corporate bonds	1,600	-	1,096	-	-	-	-	504	A-
Corporate bonds	3,759	-	534	671	1,018	1,064	-	472	BBB+
Corporate bonds	1,040	439	131	-	-	-	-	470	BBB
Corporate bonds	1,006	-	780	-	-	226	-	-	BBB-
Corporate bonds	1,478	-	500	-	497	220	-	261	BB+
Corporate bonds	768	-	-	-	-	-	-	768	BB
Corporate bonds	1,916	-	1,344	-	-	427	-	145	BB-
Corporate bonds	572	-	350	-	222	-	-	-	B+
Convertible sec.	4,819	-	2,265	-	207	1,919	-	428	N/A
Georgia Fund 1	45,324	45,324	-	-	-	-	-	-	AAAm
Guaranteed Inv. Contract	4,169	-	-	-	-	4,169	-	-	AA-
Total fair value	<u>\$ 125,512</u>	<u>\$ 46,715</u>	<u>\$ 14,447</u>	<u>\$ 3,993</u>	<u>\$ 5,060</u>	<u>\$ 8,025</u>	<u>\$ 396</u>	<u>\$ 3,048</u>	

## NOTES TO FINANCIAL STATEMENTS

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

At June 30, 2009, the Water, Gas and Light Commission (component unit) had the following investments:

Investments	Maturities	Fair Value
U.S. Government Securities	1 year weighted average	\$ 6,077,112
Agency Securities	5 month weighted average	124,801
Mortgage-Backed Securities	2 year weighted average	51,360
Other Securities	1 year weighted average	100,441
Certificates of Deposit	9 month weighted average	4,356,126
		<u>\$ 10,709,840</u>

The Water, Gas and Light Commission's investments in U.S. Treasuries and other investments were rated AAA by Standard & Poor's.

### NOTE 4. RECEIVABLES

#### Property Taxes

Property taxes were levied on July 21, 2008, on the January 1, 2008 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, 2008, and payable before December 20, 2008. The lien date for unpaid taxes was December 21, 2008. 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 9.16 mills was levied during fiscal year 2009 for the City (mill equals \$1 per thousand dollars of assessed value).

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4. RECEIVABLES (CONTINUED)

#### Property Taxes (Continued)

Gross property taxes receivable at June 30, 2009 are \$995,815. An allowance of \$943,929 has been established for taxes in dispute and taxes that will not be collected for the year ended June 30, 2009, resulting in a net receivable for property taxes of \$51,886.

#### 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), and 2004 (SPLOST V). The proceeds from these sales tax programs are used to finance various capital projects. The SPLOST programs are administered by Dougherty County. SPLOST taxes receivable at June 30, 2009 are \$2,539,903.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. RECEIVABLES (CONTINUED)

#### Accounts Receivable

Accounts receivable of the primary government consisted of the following at June 30, 2009:

	General Fund	Sanitary Sewer Fund	Nonmajor Governmental Funds	Nonmajor Business-type Funds
Gross receivables	\$ 2,656,393	\$ 603,105	\$ 420,755	\$ 23,621
Less allowance for doubtful accounts	<u>(1,580,217)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net receivables	<u>\$ 1,076,176</u>	<u>\$ 603,105</u>	<u>\$ 420,755</u>	<u>\$ 23,621</u>

The Water, Gas and Light Commission had accounts receivable at June 30, 2009, of \$15,130,666, which is net of an allowance for uncollectible accounts of \$837,853.

#### 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 year ended June 30, 2009, was as follows:

**Primary Government:**

	Balance June 30, 2008	Additions	Deletions	Transfers	Balance June 30, 2009
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 18,882,321	\$ -	\$ (5,769)	\$ (745,564)	\$ 18,130,988
Construction in progress	1,291,151	2,668,209	(95,394)	(2,142,913)	1,721,053
Total assets not depreciated	<u>20,173,472</u>	<u>2,668,209</u>	<u>(101,163)</u>	<u>(2,888,477)</u>	<u>19,852,041</u>
Capital assets being depreciated:					
Buildings and improvements	59,941,264	365,205	(144,916)	1,315,128	61,476,681
Equipment and vehicles	24,632,901	2,815,520	(2,468,254)	(252,329)	24,727,838
Infrastructure	68,311,375	1,267,358	-	1,472,109	71,050,842
Total assets depreciated	<u>152,885,540</u>	<u>4,448,083</u>	<u>(2,613,170)</u>	<u>2,534,908</u>	<u>157,255,361</u>
Less accumulated depreciation:					
Buildings and improvements	13,243,194	1,526,071	(65,212)	(438,608)	14,265,445
Equipment and vehicles	14,499,142	1,506,871	(1,968,769)	23,838	14,061,082
Infrastructure	51,163,379	797,451	-	451,733	52,412,563
Total accumulated depreciation	<u>78,905,715</u>	<u>3,830,393</u>	<u>(2,033,981)</u>	<u>36,963</u>	<u>80,739,090</u>
Total assets depreciated, net	<u>73,979,825</u>	<u>617,690</u>	<u>(579,189)</u>	<u>2,497,945</u>	<u>76,516,271</u>
Governmental activities assets, net	<u>\$ 94,153,297</u>	<u>\$ 3,285,899</u>	<u>\$ (680,352)</u>	<u>\$ (390,532)</u>	<u>\$ 96,368,312</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### Primary Government:

	Balance June 30, 2008	Additions	Deletions	Transfers	Balance June 30, 2009
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Land	\$ 12,083,070	\$ -	\$ -	\$ 636,062	\$ 12,719,132
Construction in progress	353,240	2,707,144	-	(37,364)	3,023,020
Total assets not depreciated	<u>12,436,310</u>	<u>2,707,144</u>	<u>-</u>	<u>598,698</u>	<u>15,742,152</u>
Capital assets being depreciated:					
Buildings and improvements	126,937,834	-	-	211,403	127,149,237
Equipment and vehicles	27,575,541	1,566,354	(1,695,604)	179,530	27,625,821
Infrastructure	37,153,971	138,875	-	(636,062)	36,656,784
Total assets depreciated	<u>191,667,346</u>	<u>1,705,229</u>	<u>(1,695,604)</u>	<u>(245,129)</u>	<u>191,431,842</u>
Less accumulated depreciation:					
Buildings and improvements	36,337,010	2,050,126	-	348,544	38,735,680
Equipment and vehicles	15,075,325	1,785,498	(987,913)	(36,963)	15,835,947
Infrastructure	27,842,098	1,723,020	-	(348,544)	29,216,574
Total accumulated depreciation	<u>79,254,433</u>	<u>5,558,644</u>	<u>(987,913)</u>	<u>(36,963)</u>	<u>83,788,201</u>
Total assets depreciated, net	<u>112,412,913</u>	<u>(3,853,415)</u>	<u>(707,691)</u>	<u>(208,166)</u>	<u>107,643,641</u>
Business-type activities assets, net	<u>\$ 124,849,223</u>	<u>\$ (1,146,271)</u>	<u>\$ (707,691)</u>	<u>\$ 390,532</u>	<u>\$ 123,385,793</u>



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 5. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	\$ 600,855
Judicial	5,847
Public safety	1,496,219
Public works	965,521
Culture and recreation	493,025
Community development	<u>268,926</u>
Total depreciation expense - governmental activities	<u>\$ 3,830,393</u>
Business-type activities:	
Sanitary sewer	\$ 3,204,625
Solid waste	434,571
Transit	365,063
Civic center	412,618
Airport	1,014,830
Municipal auditorium	<u>126,937</u>
Total depreciation expense - business-type activities	<u>\$ 5,558,644</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### Discretely Presented Component Units:

Activity for Chehaw Park Authority for the fiscal year ended June 30, 2009, was as follows:

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
Capital assets not being depreciated:				
Land	\$ 1,283,104	\$ -	\$ -	\$ 1,283,104
Construction in progress	15,025	89,315	-	104,340
Total assets not depreciated	<u>1,298,129</u>	<u>89,315</u>	<u>-</u>	<u>1,387,444</u>
Capital assets being depreciated:				
Buildings and improvements	8,622,051	-	-	8,622,051
Equipment and vehicles	430,727	-	(12,858)	417,869
Total assets depreciated	<u>9,052,778</u>	<u>-</u>	<u>(12,858)</u>	<u>9,039,920</u>
Less accumulated depreciation:				
Buildings and improvements	2,261,594	225,755	-	2,487,349
Equipment and vehicles	255,012	35,342	(12,858)	277,496
Total accumulated depreciation	<u>2,516,606</u>	<u>261,097</u>	<u>(12,858)</u>	<u>2,764,845</u>
Total assets depreciated, net	<u>6,536,172</u>	<u>(261,097)</u>	<u>-</u>	<u>6,275,075</u>
Chehaw Park Authority assets, net	<u>\$ 7,834,301</u>	<u>\$ (171,782)</u>	<u>\$ -</u>	<u>\$ 7,662,519</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### Discretely Presented Component Units: Continued

Activity for the Water, Gas and Light Commission for the fiscal year ended June 30, 2009, was as follows:

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Capital assets not being depreciated:				
Land	\$ 1,479,157	\$ 139,604	\$ (165,467)	\$ 1,453,294
Total assets not depreciated	<u>1,479,157</u>	<u>139,604</u>	<u>(165,467)</u>	<u>1,453,294</u>
Capital assets being depreciated:				
Buildings and improvements	23,863,112	1,617,893	(1,009,288)	24,471,717
Equipment	11,185,097	235,412	(37,743)	11,382,766
Plant facilities	81,517,171	3,150,264	(619,306)	84,048,129
Total assets depreciated	<u>116,565,380</u>	<u>5,003,569</u>	<u>(1,666,337)</u>	<u>119,902,612</u>
Less accumulated depreciation:				
Buildings and improvements	8,681,043	2,121,246	(1,041,958)	9,760,331
Equipment	3,437,531	528,661	(98,284)	3,867,908
Plant facilities	25,218,782	2,839,536	(691,562)	27,366,756
Total accumulated depreciation	<u>37,337,356</u>	<u>5,489,443</u>	<u>(1,831,804)</u>	<u>40,994,995</u>
Total assets depreciated, net	<u>79,228,024</u>	<u>(485,874)</u>	<u>165,467</u>	<u>78,907,617</u>
WG&L Commission assets, net	<u>\$ 80,707,181</u>	<u>\$ (346,270)</u>	<u>\$ -</u>	<u>\$ 80,360,911</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT

#### A. Primary Government

	Balance, June 30, 2008	Additions	Reductions	Balance, June 30, 2009	Due Within One Year
<b>Governmental activities</b>					
General obligation bonds	\$ 17,720,000	\$ -	\$ 5,700,000	\$ 12,020,000	\$ 5,905,000
Add deferred amounts					
Unamortized premium	142,451	-	70,433	72,018	-
Total bonds payable	\$ 17,862,451	\$ -	\$ 5,770,433	\$ 12,092,018	\$ 5,905,000
Notes payable	5,225,000	-	300,000	4,925,000	300,000
Certificates of participation	10,000,000	-	-	10,000,000	-
Compensated absences	2,956,709	2,904,684	2,963,542	2,897,851	2,614,911
Governmental activity long-term liabilities	<u>\$ 36,044,160</u>	<u>\$ 2,904,684</u>	<u>\$ 9,033,975</u>	<u>\$ 29,914,869</u>	<u>\$ 8,819,911</u>
<b>Business-type activities</b>					
Revenue bonds	\$ 39,110,000	\$ -	\$ 2,440,000	\$ 36,670,000	\$ 2,525,000
Add deferred amounts					
Unamortized discount	(579,510)	-	(84,678)	(494,832)	-
Total bonds payable	38,530,490	-	2,355,322	36,175,168	2,525,000
Notes payable	120,054	-	68,468	51,586	41,166
Capital leases	58,681	-	58,681	-	-
Compensated absences	829,202	582,485	509,161	902,526	812,273
Business-type activity long-term liabilities	<u>\$ 39,538,427</u>	<u>\$ 582,485</u>	<u>\$ 2,991,632</u>	<u>\$ 37,129,280</u>	<u>\$ 3,378,439</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

The government-wide statement of net assets includes \$2,525,000 of the long-term liabilities due within one year for business-type activities in liabilities payable from restricted assets. The remaining amount of \$33,650,168 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 Solid Waste, Transit, Civic Center, Sanitary Sewer, Auditorium and Airport Funds.

#### Governmental Activities Debt

##### Notes Payable

The U.S. Department of Housing and Urban Development has issued to the City, two (2) Section 108 Guaranteed Loans for the purpose of providing subordinated debt financing for the development of the Albany Hilton Garden Inn Hotel and Conference Center. The City's Section 108 Guaranteed Loans outstanding at June 30, 2009, are as follows:

	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2009</u>
HUD Section 108 Loan, B-02-MC-13-0001	\$ 5,500,000	2.00% - 5.00%	\$ 4,125,000
HUD Section 108 Loan, B-99-MC-13-0001	500,000	2.00% - 5.00%	300,000
Total			<u>\$ 4,425,000</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### Governmental Activities Debt (Continued)

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

The Albany Dougherty Inner City Authority is the recipient of an Equity Fund Loan from the One Georgia Authority. The 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 will begin once the hotel and conference center are generating adequate cash flow to debt service all loans, but not later than five years from the date of the certificate of occupancy. 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. This loan is not included in the maturity table below as debt service payments have not yet been determined.

Notes payable debt service requirements to maturity, including interest of \$1,858,961, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 300,000	\$ 232,869	\$ 532,869
2011	300,000	219,218	519,218
2012	300,000	204,904	504,904
2013	300,000	190,023	490,023
2014	300,000	174,708	474,708
2015 - 2019	1,500,000	630,835	2,130,835
2020 - 2024	1,425,000	206,404	1,631,404
	<u>\$ 4,425,000</u>	<u>\$ 1,858,961</u>	<u>\$ 6,283,961</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 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 of \$10,000,000 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,	Principal	Interest	Total
2010	\$ -	\$ 475,000	\$ 475,000
2011	-	475,000	475,000
2012	-	475,000	475,000
2013	-	475,000	475,000
2014	-	475,000	475,000
2015 - 2019	-	2,375,000	2,375,000
2020 - 2024	-	2,375,000	2,375,000
2025 - 2028	10,000,000	1,900,000	11,900,000
	<u>\$ 10,000,000</u>	<u>\$ 9,025,000</u>	<u>\$ 19,025,000</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### Governmental Activities Debt (Continued)

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

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (1) a semi-annual (and beginning July 1, 2003, a monthly) floating rate of interest based on the TBMA Municipal Swap Index (plus a 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 Contract 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. 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 TBMA 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.

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.



## 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 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. Principal and interest are payable from an ad valorem tax upon all property of the City.

General obligation bonds outstanding at June 30, 2009, are as follows:

	<u>Interest Rates</u>	<u>Balance June 30, 2009</u>
2002 ADICA Refunding Issue	3.00% - 4.00%	\$ 2,530,000
2007 ADICA Issue	4.25%	9,490,000
		<u>12,020,000</u>
Add: Unamortized premium		72,018
		<u>\$ 12,092,018</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### Governmental Activities Debt (Continued)

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

A description of these General obligation bond issues is provided below.

##### Refunding Revenue Bonds, Series 2002, \$9,590,000 Principal (ADICA)

The Series 2002 Bonds are limited obligations of ADICA and are payable solely from the rental payments received from the City pursuant to a Lease Agreement between ADICA and the City, together with all other rents, revenues and receipts arising out of or in connection with ADICA's ownership of the facilities described herein. The obligation of the City to make rental payments pursuant to the Lease Agreement is absolute and unconditional and will be deemed and construed to be a general obligation of the City. The proceeds of the Series 2002 Bonds were used to (i) effect a current refunding of ADICA's Refunding Revenue Bonds, Series 1992, and (ii) pay expenses related to the issuance and sale of the Series 2002 Bonds. The 1992 Series was called on June 7, 2002. The Series 2002 bonds are due in annual installments of approximately \$1,190,000 to \$1,290,000 through February 2011 with interest at 3.0% to 4.00%, payable February and August each year.

##### Revenue Bonds, Series 2007, \$14,000,000 Principal (ADICA)

During the year ended June 30, 2007, the City issued bonds through the Albany-Dougherty Inner City Authority (ADICA) in the amount of \$14,000,000. The bonds bear interest of 4.25% with final maturity in 2011. Proceeds of the bonds were used for the purpose of financing 1) all or a portion of the cost of acquisition, construction, development and equipping of various capital outlay projects located within the City; and 2) to pay the costs of issuance of the bonds.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### Governmental Activities Debt (Continued)

##### General Obligation Bonds (Continued)

##### Revenue Bonds, Series 2007, \$14,000,000 Principal (ADICA) (Continued)

The bonds are limited obligations of ADICA, payable solely from payments to be made by the 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 its portion of the revenues generated by a one percent special local option sales and use tax (the "SPLOST"); however, the City's portion of the revenues from the SPLOST are not pledged to such payments or to secure the payment of the bonds.

General obligation bonds debt service requirements to maturity are as follows at June 30, 2009:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30,			
2010	\$ 5,905,000	\$ 502,045	\$ 6,407,045
2011	6,115,000	256,663	6,371,663
	<u>12,020,000</u>	<u>\$ 758,708</u>	<u>\$ 12,778,708</u>
Add unamortized premium	72,018		
	<u>\$ 12,092,018</u>		

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### Business-type Activities Debt

##### Revenue Bonds

The City also issues revenue bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds have been issued for business-like activities and are reported in the business-type column of the government-wide statements. Principal and interest are payable from enterprise fund revenue.

Revenue bonds outstanding at June 30, 2009, are as follows:

	<u>Interest Rates</u>	<u>Balance June 30, 2009</u>
2001 Sewerage System Revenue Bonds	4.125% - 5.00%	\$ 10,835,000
2007 Sewerage System Revenue Bonds	4.00% - 5.00%	<u>25,835,000</u>
		36,670,000
Less: Unamortized discount		<u>(494,832)</u>
		<u>\$ 36,175,168</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

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

##### Revenue Bonds (Continued)

A description of each of the outstanding revenue bonds is provided below.

##### \$13,700,000 Sewerage System Revenue Bonds, Series 2001

On June 14, 2001, the City issued \$13,700,000 in Sewerage System Revenue Bonds, Series 2001 to make additions and improvements to the City's sewerage system.

Interest expense related to the Series 2001 Bonds for the year ended June 30, 2009, was \$510,190. All interest incurred was expensed.

##### \$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 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

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

##### Revenue Bonds (Continued)

In accordance with GASB No. 23 "Accounting and Financial Refundings of Debt Reported by Proprietary Activities", 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, 2009, the unamortized balance was \$494,832.

Interest expense related to the Series 2007 Bonds for the year ended June 30, 2009, was \$1,172,750. All interest incurred was expensed.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 2,525,000	\$ 1,632,087	\$ 4,157,087
2011	2,620,000	1,528,391	4,148,391
2012	2,725,000	1,420,280	4,145,280
2013	2,830,000	1,307,121	4,137,121
2014	2,940,000	1,177,406	4,117,406
2015 - 2019	16,515,000	3,629,689	20,144,689
2020 - 2023	6,515,000	465,316	6,980,316
	<u>36,670,000</u>	<u>\$ 11,160,290</u>	<u>\$ 47,830,290</u>
Less unamortized discount	(494,832)		
	<u>\$ 36,175,168</u>		

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

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

##### Notes Payable

The City has also incurred debt to the Georgia Environmental Facilities Authority (GEFA) for various sewerage system and solid waste system projects. These notes are as follows at June 30, 2009:

	<u>Original Amount</u>	<u>Outstanding at June 30, 2009</u>
Note payable, instalments of \$10,472, including interest at 2.0%	\$ 689,107	\$ 51,586
		<u>\$ 51,586</u>

GEFA notes payable debt service requirements to maturity, including interest of \$776, are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 41,166	\$ 724	\$ 41,890
2011	10,420	52	10,472
	<u>\$ 51,586</u>	<u>\$ 776</u>	<u>\$ 52,362</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### B. Component Unit – Water, Gas and Light Commission

Long-term liability activity for the Water, Gas and Light Commission (component unit) for the year ended June 30, 2009, was as follows:

	Balance, June 30, 2008	Additions	Reductions	Balance, June 30, 2009	Due Within One Year
Bonds Payable:					
Revenue bonds	\$ 23,070,000	\$ -	\$ 985,000	\$ 22,085,000	\$ 1,020,000
Less deferred amounts on refunding:	41,756	-	3,976	37,780	-
Total bonds payable	23,111,756	-	988,976	22,122,780	1,020,000
Capital leases	7,014,499	300,723	1,317,625	5,997,597	976,786
Compensated absences	2,559,305	1,152,375	1,234,768	2,476,912	792,612
Business-type activity					
Long-term liabilities	<u>\$ 32,685,560</u>	<u>\$ 1,453,098</u>	<u>\$ 3,541,369</u>	<u>\$ 30,597,289</u>	<u>\$ 2,789,398</u>



## NOTES TO FINANCIAL STATEMENTS

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

#### B. Component Unit – Water, Gas and Light Commission (Continued)

##### Revenue Bonds

Revenue bonds of the Water, Gas and Light Commission (the "Commission") outstanding at June 30, 2009, are as follows:

	<u>Interest Rates</u>	<u>Balance June 30, 2009</u>
1998 Water Revenue Bonds	3.20%-5.25%	\$ 9,360,000
2000 Water Revenue Bonds	4.45%-6.00%	6,420,000
2005 Water Revenue Bonds	3.97%	6,305,000
Total		<u>\$ 22,085,000</u>

A description of each of the outstanding revenue bonds is provided below.

2005 Water Revenue Bonds. 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 are to be used for advance refunding of 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### B. Component Unit – Water, Gas and Light Commission (Continued)

##### Revenue Bonds (Continued)

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.

2000 Water Revenue Bonds. During the year ended June 30, 2001, the City and the Water, Gas and Light Commission issued \$8,000,000 of tax-exempt Water Revenue Bonds, Series 2000 (Series 2000 Bonds). The proceeds from the bonds are being used for the various purposes of financing the costs of acquiring, constructing and installing certain additions, extensions and improvements to the water system of the City and Commission. The Series 2000 Bonds are limited obligations of the City and the Commission and are payable solely from the net revenues of the water system.

The Series 2000 bonds are due in annual installments of \$230,000 to \$240,000 through December 1, 2009, with a balloon payment of \$6,180,000 due December 1, 2010, and with interest ranging from 4.45% to 6.00%, payable semi-annually on June 1 and December 1.

## NOTES TO FINANCIAL STATEMENTS

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

#### B. Component Unit – Water, Gas and Light Commission (Continued)

##### Revenue Bonds (Continued)

1998 Water Revenue Bonds. The City and the Commission also have Series 1998 water revenue bonds outstanding at June 30, 2009. The Series 1998 bonds are due in annual installments of \$720,000 to \$1,145,000 through December 1, 2018, with interest ranging from 3.20% to 5.25%, payable semi-annually on June 1 and December 1.

The Series 1998 Bonds maturing on December 1, 2010, and thereafter are subject to redemption prior to maturity, at the option of the City and the Commission, on or after December 1, 2009, in whole or in part (in any order of maturity and by lot within a maturity) at any time, at the following redemption prices (expressed as percentages of the principal amount of the Series 1998 Bonds being redeemed), plus accrued interest to the redemption date:

<u>Dates of Redemption (Inclusive)</u>	<u>Redemption Prices</u>
December 1, 2009 to November 30, 2010	101.0%
December 1, 2010 to November 30, 2011	100.5
December 1, 2011 and thereafter	100.0

## NOTES TO FINANCIAL STATEMENTS

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

#### B. Component Unit – Water, Gas and Light Commission (Continued)

##### Revenue Bonds (Continued)

Interest expense related to the Series 2005, Series 2000 and Series 1998 Bonds for the year ended June 30, 2009, was \$1,058,064. No interest was capitalized during the year ended June 30, 2009.

A summary of debt service requirements of bonds payable, Series 2005, Series 2000, and Series 1998, is as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2010	\$ 1,020,000	\$ 1,016,590	\$ 2,036,590
2011	7,005,000	776,379	7,781,379
2012	1,135,000	589,410	1,724,410
2013	1,190,000	536,629	1,726,629
2014	1,245,000	483,073	1,728,073
2015-2019	7,100,000	1,505,297	8,605,297
2020-2024	2,315,000	443,631	2,758,631
2025-2026	1,075,000	39,617	1,114,617
	<u>\$ 22,085,000</u>	<u>\$ 5,390,626</u>	<u>\$ 27,475,626</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### B. Component Unit – Water, Gas and Light Commission (Continued)

##### Capital Leases

The Water, Gas and Light Commission has entered into lease agreements as lessee for financing the acquisition of computer equipment and equipment to be used in the Commission's meter reading process. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the inception dates. Assets under capital lease total \$12,201,822, with accumulated depreciation of \$5,209,769. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009, are as follows:

Fiscal year ending June 30,

2010	\$ 1,227,159
2011	1,300,344
2012	1,288,808
2013	1,255,536
2014	1,231,865
2015	504,154
Total minimum lease payments	<u>6,807,866</u>
Less: Amount representing interest	<u>(810,269)</u>
Present value of minimum lease payments	<u>\$ 5,997,597</u>

## 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. Three (3) series of bond issuances have occurred from November 1, 2003 to June 30, 2009, totaling \$46,072,347. The total amount of bonds outstanding at June 30, 2009 is \$44,368,141.

### NOTE 7. SHORT-TERM DEBT REVOLVING LINE OF CREDIT

#### A. Component Unit – Water, Gas and Light Commission

The Commission used a revolving line of credit to finance a variety of projects, including financing of general operations. Short-term debt activity for the year-end June 30, 2009 is as follows:

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
Line of Credit	\$ 769,300	\$ 604,800	\$ -	\$ 1,374,100

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. RETIREMENT PLANS

#### A. Defined Contribution Plan

The City of Albany maintains a defined contribution pension plan, the City of Albany Retirement Savings Plan ("the Savings Plan"), which was established by the City of Albany on January 1, 1998 to provide reasonable retirement security for its "Senior Management Employees". The plan is administered by Nationwide Retirement Solutions. At June 30, 2009, there were three active participants. The City is required to contribute 8.9% of each Plan participant compensation. Plan participants are required to 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, 2009, the City contributed \$78,826 and employees contributed \$8,078.

#### B. Defined Benefit Plan

##### Plan Description

The City of Albany maintains a multiple-employer cost-sharing 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.

The Plan covers all full-time, permanent employees of the City of Albany and its component unit, the Water, Gas and Light Commission; as well as the Artesian Federal Credit Union, the Albany Metropolitan Planning Commission, and certain former City employees resulting from the Delineation of Services Agreement. Individuals who were employed by the City

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

##### Plan Description (Continued)

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. 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 will receive a 1.5% per year cost-of-living increase in their pensions each year. The average monthly salary is defined as the sum of the participants' reported totals compensation in the three years of employment out of the last five years of employment that produce the highest average, divided by 36. Unless a joint and survivor annuity option is elected by the member, the pension benefits will continue for the lifetime of the member with no residual payments to any beneficiaries. For early retirement, the pension payment is reduced by 5% for each year early retirement precedes normal retirement. Vesting changed from 100% after 10 years to 50% after five years, increasing 10% per year to 100% after 10 years of participation.

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. Benefits are calculated in the same manner as under the old plan, but at 1.50%. Additionally, the members will receive a 3% per year cost-of-living increase in their pensions each year. 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.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

##### Plan Description (Continued)

Membership in the Plan as of June 30, 2009 is as follows:

Active employees	1,138
Retired participants receiving benefits	710
Terminated vested participants	372
Total membership	<u>2,220</u>

##### Summary of Significant Accounting Policies

###### Basis of Accounting

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

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

###### Method Used to Value Investments

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on the national securities markets are valued at the last reported sales price on the last business day of the plan year. Investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at fair value determined by the trustee on the last reported bid and asked prices. The bonds, government, agency and corporate are reported at their market value as of June 30, 2009. No investment in any one organization represented 5% or more of the net assets available for pension benefits at June 30, 2009. There are no investments in, loans to, or leases with parties related to the pension plan.

###### **Contribution Requirements**

The City's funding policy is to contribute a percentage of covered employee payroll as developed in the actuarial valuation for the Plan. Section 47-20 of the Georgia Code sets forth the funding standards for state and local government pension plans. Effective July 1, 2007, employees were required to make contributions to the Plan as follows: General Employees – 4% of annual covered payroll; Safety Employees – 7% of annual covered payroll. The participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at actuarially determined rates. The actuarial determined contribution amount is the sum of the annual normal cost (determined under the entry age normal method) and the amortization of the unfunded actuarial accrued liability as a level percentage of future payroll. Administrative costs of the Plan are financed through investment income. Actual Contributions to the plan were \$5,450,856 from the City and \$1,609,864 from Water Gas and Light Commission, a component unit of the City. The City had no net pension obligation as of the fiscal year ended June 30, 2009.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

##### Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)*</u>
6/30/2007	\$ 4,269,785	81 %	\$ (34,739)
6/30/2008	3,474,213	131	(1,118,600)
6/30/2009	7,060,720	100	-

- \* As discussed in Note 1 and Note 19, the City changed its accounting and funding policies related to the Plan during the year ended June 30, 2009. The City will now have a required contribution which is an actuarially determined percentage of payroll each year as opposed to a required contribution equal to a set dollar amount. This practice is allowed under generally accepted accounting principles and is preferable so the City can ensure a direct correlation of required contributions to actual payroll. As a result of this change in accounting policy, the actual employer contributions should always equal the annual required contribution, which for fiscal year 2009 was required to be 8.9% of payroll for general employees and 11.9% of payroll for public safety employees. Also as a result of this change in policy, the previously determined net pension asset of \$1,118,600 (which was accumulated as actual contributions in previous years exceeding the set dollar amount of the annual required contribution) has been restated to zero and has been removed from net assets of the City.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

As of the most recent valuation date, July 1, 2008 the funded status of the Plan is as follows:

<u>Schedule of Funding Progress</u>						
<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>Actuarial Accrued Liability as a Percentage of Covered</u>
7/1/2008	\$ 107,485,676	\$ 160,715,933	\$ 53,230,257	70%	\$ 42,310,595	126%

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 assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2008.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

The actuarial funding method used is the Entry Age Normal Cost Method. Under this method, projected benefits are determined for all participants and the associated liabilities are spread in a manner that produces level annual cost as a percent of pay in each year from the age of hire (entry age) to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost. The actuarial accrued liability for active participants is then calculated as a portion of the total cost of the plan allocated to prior years. The actuarial accrued liability for participants currently receiving benefits, for active participants beyond the assumed retirement age, and for participants entitled to deferred benefits, is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants. The excess of the total actuarial accrued liability over the actuarial value of plan assets is called the unfunded actuarial accrued liability. The period and related method for amortizing the initial unfunded actuarial accrued liability is 30 years from 1982, and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses; 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

##### Actuarial Assumptions

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

Valuation date	July 1, 2008
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay
Amortization period	24 years
Asset valuation method	10-year smoothed market value
Actuarial assumptions:	
Investment rate of return (includes inflation)	8.50%
Projected salary increases (includes inflation)	4.00%
Inflation	3.00%
Cost-of-living adjustments	
Old Plan Members	1.50% annually
New Plan Members	3.00% annually

## NOTES TO FINANCIAL STATEMENTS

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

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from other funds:		
Receivable Fund	Payable Fund	
General Fund	Community Development Fund	\$ 544,394
General Fund	SPLOST	1,164,185
General Fund	Sanitary Sewer Fund	2,074,148
General Fund	Nonmajor Governmental Funds	2,304,501
General Fund	Internal Service Fund - Self-Administered Insurance	1,975,503
General Fund	Internal Service Fund - Workers' Comp	507
General Fund	Solid Waste Fund	316,436
General Fund	Airport Fund	758,942
Sanitary Sewer Fund	General Fund	1,800,824
Nonmajor Governmental Funds	Solid Waste Fund	663,159
Nonmajor Governmental Funds	General Fund	847,568
Nonmajor Governmental Funds	Airport Fund	5,082
Nonmajor Governmental Funds	Nonmajor Enterprise Fund	5,242
Nonmajor Governmental Funds	Sanitary Sewer Fund	598,223
Nonmajor Enterprise Fund	General Fund	37,348
Public Employee Deposit Fund	General Fund	634,598

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

Advances to/from other funds result from the use of Public Improvement Fund lease pool proceeds by various 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, 2009 is as follows:

#### Advances to/from other funds

Receivable Fund	Payable Fund	
Nonmajor Governmental Funds	Sanitary Sewer Fund	\$ 1,178,155
Nonmajor Governmental Funds	Solid Waste Fund	945,964
Nonmajor Governmental Funds	Airport Fund	1,074
Nonmajor Governmental Funds	Nonmajor Enterprise Funds	5,244
General Fund	Nonmajor Governmental Funds	3,721,935

#### Due to/from primary government and component units

Receivable Entity	Payable Entity	
General Fund	Water, Gas & Light Commission	\$ 1,549,782
Nonmajor Governmental Funds	Water, Gas & Light Commission	318,000
Solid Waste Fund	Water, Gas & Light Commission	1,847,725
Sanitary Sewer Fund	Water, Gas & Light Commission	2,257,605
Public Employee Deposit Fund	Water, Gas & Light Commission	\$ 275,818
General Fund	Chehaw Park Authority	\$ 164,541
Chehaw Park Authority	SPLOST Fund	\$ 17,534



## NOTES TO FINANCIAL STATEMENTS

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

Transfers to	Transfers from	
General Fund	Nonmajor Governmental Fund - Hotel Motel Tax Fund	\$ 699,428
General Fund	Nonmajor Governmental Fund - Public Improvement Fund	645,205
Solid Waste Fund	Nonmajor Governmental Fund - Public Improvement Fund	276,908
Airport Fund	Nonmajor Governmental Fund - Public Improvement Fund	5,081
Nonmajor Business-type Fund - Civic Center	Nonmajor Governmental Fund - Public Improvement Fund	5,244
Airport Fund	General Fund	557,682
Nonmajor Governmental Funds:		
Public Improvement Fund	Sanitary Sewer	62,542
Grant Fund	General Fund	495,819
ADICA Fund	General Fund	367,403
Nonmajor Business-type Funds		
Transit Fund	General Fund	937,168
Civic Center Fund	General Fund	1,108,854
Auditorium Fund	General Fund	55,509

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.

#### **Primary Government:**

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. CONTINGENT LIABILITIES

#### Primary Government: (Continued)

The City is contingently liable for a \$1,300,000 loan from a local financial institution to the Payroll Development Authority. The outstanding balance of this loan at June 30, 2009, is \$1,153,506.

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.

#### Water, Gas and Light Commission:

The Water, Gas and Light Commission (a component unit) is currently involved in rate proceedings, most of which are of a routine nature. The Commission is also involved in other litigation. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Commission's management, the resolution of these matters will not have a material adverse affect on the financial condition of the Commission.

Additionally, the Commission 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. CONTINGENT LIABILITIES (CONTINUED)

#### Water, Gas and Light Commission: (Continued)

As of June 30, 2009, the Commission is obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The Commission has agreed to purchase all of its future power and energy requirements in excess of that received by the Commission 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 Commission 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 \$55,099,621 in 2009.

At June 30, 2009, the outstanding debt of MEAG was approximately \$4 billion. The Commission's guarantee varies by individual projects undertaken by MEAG and totals approximately \$366 million at June 30, 2009.

Additionally, the Commission 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 Commission 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 Commission 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.

At this time, the Commission anticipates that corrective action will be necessary to bring the Plant into compliance. The total cost of this corrective action is anticipated to range from \$2,000,000 to \$10,000,000. A total of \$2,000,000 is believed by management to be probable. During the year ended June 30, 2009, the Commission incurred costs of \$14,429, with total incurred cost to date of \$245,348. The liability has been reduced by these costs, resulting in a liability of \$1,754,652 recorded on the statement of net assets as an other long-term liability.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. COMMITMENTS

In addition to the liabilities enumerated in the balance sheet at June 30, 2009, the City has contractual commitments on uncompleted construction contracts totaling approximately \$800,457.

### NOTE 12. RISK MANAGEMENT

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

The Long-Term Disability Fund (an Internal Service Fund) was established to account for and finance its uninsured risks of loss for group long-term disability. This fund services all claims, and outside commercial coinsurance is not purchased. No liability for unpaid claims existed at June 30, 2008, or June 30, 2009, and therefore no schedule of changes in fund claims liability is presented.

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 \$275,000. 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.

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

	June 30, 2009	June 30, 2008
Unpaid claims, beginning of year	\$ 449,601	\$ 257,032
Incurred claims and changes in estimates	604,802	591,868
Claim payments	(373,886)	(399,299)
Unpaid claims, end of year	<u>\$ 680,517</u>	<u>\$ 449,601</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12. RISK MANAGEMENT (CONTINUED)

The Public Employees Deposit Fund (an Enterprise Fund) was established to account for and finance its uninsured risks of loss for group accident, health, dental and major medical insurance. Participants include the primary government, its component units — the Chehaw Park Authority and the Water, Gas and Light Commission. 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.

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

	June 30, 2009	June 30, 2008
Unpaid claims, beginning of year	\$ 2,025,000	\$ 1,644,000
Incurred claims and changes in estimates	12,011,806	18,886,105
Claim payments	(12,941,806)	(18,505,105)
Unpaid claims, end of year	<u>\$ 1,095,000</u>	<u>\$ 2,025,000</u>

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.

Prior to May 1, 2005, the City participated in the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund for claims in excess of coverage provided by its self insurance for risks of loss for which it is exposed for general claims liability. The Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund is a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12. RISK MANAGEMENT (CONTINUED)

As a part of this risk pool, the City was obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City was also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the fund.

The Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The Fund is to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

Beginning May 1, 2005, the City is no longer part of the GIRMA risk pool, except that claims incurred prior to this date are still being handled by GIRMA. 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, 2009	June 30, 2008
Unpaid claims, beginning of year	\$ 783,802	\$ 507,823
Incurred claims and changes in estimates	1,797,667	923,457
Claim payments	(859,134)	(647,478)
Unpaid claims, end of year	<u>\$ 1,722,335</u>	<u>\$ 783,802</u>

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 13. RELATED ORGANIZATION**

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

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

The City has levied a 5% lodging tax. Of this percentage, 2% is allocated each year to the Chamber of Commerce for use in the promotion of the City. For the fiscal year ended June 30, 2009, \$1,311,461 of hotel/motel tax was collected, and \$655,729, or 50% of the amount collected was remitted to the Chamber of Commerce. The remaining balance was used by the City for the promotion of tourism.

### **NOTE 15. JOINT VENTURE**

Under Georgia law, the City, in conjunction with other cities and counties in the eight county west central Georgia area, is a member of the Southwest Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. During its year ended June 30, 2009, the city paid \$38,751 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC 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 RDC. Separate financial statements may be obtained from:

Southwest Georgia Regional Development Center  
P. O. Box 346  
Camilla, Georgia 31730

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 16. OTHER POST-EMPLOYMENT BENEFITS

#### Plan Description

The City of Albany maintains an 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 and its component unit, the Water, Gas and Light Commission. 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. Employees under the age of 65 who retired prior to July 1, 2003, receive the same health insurance benefits as active employees. These retirees pay 25% of the cost of the premiums, with the City paying the remaining 75% of the cost. New "normal" retirees under age 65 who retired effective July 1, 2003, and later pay 40% of the premiums and the City pays the remaining 60%. New "Early" retirees under the age of 65 who retired effective July 1, 2003, and later pay 50% of the premium cost, with the City paying the remaining 50%.

At age 65, retired employees are removed from the City's group Health Plan but can purchase a Medicare supplement, which is identical to the health plan offered to active City employees, except that the City becomes secondary payor. This Medicare supplement has a maximum lifetime benefit cap of \$50,000.

Retirees also receive life insurance benefits from the City. Current retirees and future retirees who retire at age 65 or older receive life insurance coverage that is reduced upon retirement to 50% of the amount previously allowed under the plan, and is further reduced at age 70 to 65% of the amount of coverage at retirement. Future retirees who retire at ages younger than 65 receive life insurance coverage that is reduced upon retirement to 50% of the amount previously allowed under the plan, and is further reduced at age 65 to 65% of the amount of coverage at retirement, and is further reduced at age 70 to 50% of the amount of coverage at retirement. Optional life insurance and accidental death and dismemberment cease at age 65 or upon retirement, whichever occurs later.

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, 2009, the General Fund's net share of the premiums paid for its 608 retired employees and retired employee's spouses/dependents was \$633,250. There were no significant changes in the coverage provided.



## NOTES TO FINANCIAL STATEMENTS

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

#### Plan Description (Continued)

Membership in the OPEB Plan as of the most recent actuarial valuation date (July 1, 2008) is as follows:

Active employees	1,145
Retired participants receiving benefits	555
Spouse/dependent of retired participants receiving benefits	53
Total membership	<u>1,753</u>

#### Annual OPEB Cost and Net OPEB Obligation

The City contributed \$633,250 to the OPEB Plan in the year ended June 30, 2009. 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.

Annual required employer contribution	<u>\$ 1,131,237</u>
Annual pension cost	1,131,237
Employer contributions for period ending June 30, 2009	<u>633,250</u>
Increase in net OPEB obligation	497,987
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	<u>\$ 497,987</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### Trend Information

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2009	\$ 1,131,237	56%	\$ 497,987

As of July 1, 2008, the most recent valuation date, the funded status of the OPEB Plan is as follows:

<u>Schedule of Funding Progress</u>						
<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>Actuarial Accrued Liability as a Percentage of Covered</u>
7/1/2008	\$ -	\$ 16,546,482	\$ 16,546,482	0%	\$ 42,570,855	39%

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 assets is increasing or decreasing over time relative to the actuarial accrued liability.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 16. 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, 2008. The assumptions used in the July 1, 2008 actuarial valuation are as follows:

Valuation date	July 1, 2008
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percent of Pay
Amortization period	30 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return (includes inflation)	4.00%
Projected salary increases (includes inflation)	4.00%
Inflation	3.00%
Health Care Trend Rate	10.50%
Ultimate Health Care Trend Rate	5.00%
Year of Ultimate Trend Rate	2016

### NOTE 17. SUBSEQUENT EVENT

On October 27, 2009, the blended component unit, Albany-Dougherty Inner City Authority issued the Albany – Dougherty Inner City Authority (Georgia) Taxable Revenue Bonds, Series 2009 for \$6,000,000. Each advance under this bond shall bear interest at 6.75% per annum, from the date of the advance to the date the principal payment is received. Interest only shall be payable with respect to the advances made under this bond on each March 1 and September 1 of each year, commencing March 1, 2010 from the date thereof to and included September 1, 2011. The Series 2009 Bonds are issued for the purpose of financing or refinancing, in whole or part, the cost of acquiring, constructing, developing and equipping various capital outlay projects located within the City of Albany, Georgia.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 18. RELATED PARTY MATTERS

During the fiscal year ended June 30, 2009, the blended component unit, Albany-Dougherty Inner City Authority provided a loan in the amount of \$50,000 to a Board Member of Albany-Dougherty Inner City Authority. The loan is to be used for the start-up cost related to the member's business, which is located in the City. The loan is due in monthly installments beginning August 1, 2009. The balance outstanding is \$50,000 at June 30, 2009.

### NOTE 19. RESTATEMENT

As discussed in Note 1 and Note 8, the City has determined that a restatement of net assets is required to reflect a change in accounting from one GAAP basis to another GAAP basis for the calculation of the net pension asset associated with the City's defined benefit retirement plan in the June 30, 2008 financial report. This practice is allowed under generally accepted accounting principles and is preferable so that the City can ensure a direct correlation of required contributions to actual payroll. The restatement is as follows:

#### **Governmental Activities**

Net assets as previously reported	\$ 137,777,105
Adjustment needed to properly state the net pension asset	<u>(1,118,600)</u>
Net assets as restated	<u>\$ 136,658,505</u>

## REQUIRED SUPPLEMENTARY INFORMATION

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
7/01/2002	\$ 105,180,588	\$ 115,587,051	\$ 10,406,463	91%	\$ 32,981,896	32%
7/01/2003	101,234,395	116,585,581	15,351,186	87%	33,873,290	45%
7/01/2004	105,530,007	119,790,054	14,260,047	88%	34,501,482	41%
7/01/2005	98,797,803	124,523,394	25,725,591	79%	37,961,629	68%
7/01/2006	96,875,060	130,509,893	33,634,833	74%	39,616,995	85%
7/01/2007	100,442,613	133,952,447	33,509,834	75%	41,069,169	82%

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
7/1/2008	\$ -	\$ 16,546,482	\$ 16,546,482	0%	\$ 42,570,855	39%

## **CITY OF ALBANY, GEORGIA**

### **NONMAJOR GOVERNMENTAL FUNDS**

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#### **Special Revenue Funds:**

- |                                     |   |
|-------------------------------------|---|
| <b>Hotel/Motel Tax Fund</b>         | - To account for the collection and disbursement of hotel-motel tax revenue.  |
| <b>Grant Fund</b>                   | - To account for grant revenues and expenditures related to various short lived projects.   |
| <b>Computer Aided Dispatch Fund</b> | - To account for activities related to enhanced "911" services. Financing is provided from program charges. Revenues are expended for capital assets and system operations. |
| <b>ADICA</b>                        | - To account for the activities of the Albany-Dougherty Inner City Authority related to inner city development.   |
| <b>Gortatowsky Fund</b>             | - To account for resources provided by the estate of Henry Gortatowsky which are to be used to maintain the Government Center Fountain.                                     |

#### **Debt Service Funds:**

- |                          |   |
|--------------------------|---|
| <b>Debt Service Fund</b> | - To account for debt service transactions for bonds and debt other than those bonds issued by ADICA. |
|--------------------------|---|

#### **Capital Projects Funds:**

- |                                |   |
|--------------------------------|---|
| <b>Public Improvement Fund</b> | - To account for the construction and financing of public improvements and services from general governmental resources and GMA lease activity. |
|--------------------------------|---|

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

**COMBINING BALANCE SHEET  
JUNE 30, 2009**

ASSETS	Special Revenue Funds					Debt Service Fund
	Hotel/ Motel Tax	Grant Fund	Computer Aided Dispatch	ADICA	Gortatowsky Fund	Debt Service Fund
Cash	\$ -	\$ 375,336	\$ 641,560	\$ 416,517	\$ -	\$ 6,808
Investments	-	-	1,440,625	-	45,645	-
Accounts receivable, net of allowances	137,442	-	283,313	-	-	-
Loan receivable	-	-	-	50,000	-	-
Due from other funds	84,952	-	-	-	-	762,617
Due from other governments	-	378,228	-	540	-	-
Due from component units	-	-	-	-	-	-
Advance to other funds	-	-	-	-	-	-
Total assets	<u>\$ 222,394</u>	<u>\$ 753,564</u>	<u>\$ 2,365,498</u>	<u>\$ 467,057</u>	<u>\$ 45,645</u>	<u>\$ 769,425</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 52,276	\$ 5,056	\$ 11,152	\$ -	\$ -
Due to other funds	-	618,800	63,731	498,355	-	-
Deferred revenues	-	82,488	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>753,564</u>	<u>68,787</u>	<u>509,507</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>						
Reserved for advances to other funds	-	-	-	-	-	-
Reserved for program expenditures	-	-	-	-	45,645	-
Reserved for debt service	-	-	-	-	-	769,425
Unreserved:						
Undesignated	222,394	-	2,296,711	(42,450)	-	-
Total fund balances	<u>222,394</u>	<u>-</u>	<u>2,296,711</u>	<u>(42,450)</u>	<u>45,645</u>	<u>769,425</u>
Total liabilities and fund balances	<u>\$ 222,394</u>	<u>\$ 753,564</u>	<u>\$ 2,365,498</u>	<u>\$ 467,057</u>	<u>\$ 45,645</u>	<u>\$ 769,425</u>

(Continued)

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

**COMBINING BALANCE SHEET  
JUNE 30, 2009**

ASSETS	Capital Projects Fund	
	Public Improvement Fund	Total
Cash	\$ 10,503	\$ 1,450,724
Investments	5,282,587	6,768,857
Accounts receivable, net of allowances	-	420,755
Loan receivable	-	50,000
Due from other funds	1,271,705	2,119,274
Due from other governments	785,360	1,164,128
Due from component unit	318,000	318,000
Advance to other funds	2,130,437	2,130,437
Total assets	<u>\$ 9,798,592</u>	<u>\$ 14,422,175</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 176,650	\$ 245,134
Due to other funds	1,123,615	2,304,501
Deferred revenue	-	82,488
Advance from other funds	3,721,935	3,721,935
Total liabilities	<u>5,022,200</u>	<u>6,354,058</u>
<b>FUND BALANCES (DEFICIT)</b>		
Reserved for advances to other funds	2,130,437	2,130,437
Reserved for program expenditures	-	45,645
Reserved for debt service	-	769,425
Unreserved:		
Undesignated	2,645,955	5,122,610
Total fund balances	<u>4,776,392</u>	<u>8,068,117</u>
Total liabilities and fund balances	<u>\$ 9,798,592</u>	<u>\$ 14,422,175</u>



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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Special Revenue Funds					Debt Service Funds
	Hotel/ Motel Tax	Grant Fund	Computer Aided Dispatch	ADICA	Gortatowsky Fund	Debt Service Fund
<b>Revenues:</b>						
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 765,617
Other taxes	1,311,461	-	-	-	-	-
Intergovernmental	-	602,143	-	250,000	-	-
Charges for services	-	-	1,667,743	-	-	-
Other revenues:						
Interest income	-	2,489	34,048	1,547	564	26
Other income	-	-	-	41	350	-
Total revenues	<u>1,311,461</u>	<u>604,632</u>	<u>1,701,791</u>	<u>251,588</u>	<u>914</u>	<u>765,643</u>
<b>Expenditures:</b>						
Current:						
Judicial	-	56,403	-	-	-	-
Public safety	-	72,498	1,420,979	-	-	-
Public works	-	69,036	-	-	-	-
Parks and recreation	-	4,306	-	-	-	-
Community development	655,731	548,792	-	742,687	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	3,000
Total expenditures	<u>655,731</u>	<u>751,035</u>	<u>1,420,979</u>	<u>742,687</u>	<u>-</u>	<u>3,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>655,730</u>	<u>(146,403)</u>	<u>280,812</u>	<u>(491,099)</u>	<u>914</u>	<u>762,643</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	495,819	-	367,403	-	-
Transfers out	(699,428)	-	-	-	-	-
Total other financing sources (uses)	<u>(699,428)</u>	<u>495,819</u>	<u>-</u>	<u>367,403</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(43,698)	349,416	280,812	(123,696)	914	762,643
<b>Fund balances (deficit), beginning of year</b>	<u>266,092</u>	<u>(349,416)</u>	<u>2,015,899</u>	<u>81,246</u>	<u>44,731</u>	<u>6,782</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ 222,394</u>	<u>\$ -</u>	<u>\$ 2,296,711</u>	<u>\$ (42,450)</u>	<u>\$ 45,645</u>	<u>\$ 769,425</u>

(Continued)

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Capital Projects Fund</u>	
	<u>Public</u>	
	<u>Improvement</u>	
	<u>Fund</u>	<u>Total</u>
<b>Revenues:</b>		
Sales taxes	\$ -	\$ 765,617
Other taxes	-	1,311,461
Intergovernmental	1,203,291	2,055,434
Charges for services	-	1,667,743
Other revenues:		
Interest income	485,322	523,996
Other income	-	391
Total revenues	<u>1,688,613</u>	<u>6,324,642</u>
<b>Expenditures:</b>		
Current:		
Judicial	-	56,403
Public safety	-	1,493,477
Public works	-	69,036
Parks and recreation	-	4,306
Community development	-	1,947,210
Capital outlay	3,531,834	3,531,834
Debt service:		
Interest	515,000	518,000
Total expenditures	<u>4,046,834</u>	<u>7,620,266</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,358,221)</u>	<u>(1,295,624)</u>
<b>Other financing sources (uses):</b>		
Transfers in	62,542	925,764
Transfers out	<u>(932,438)</u>	<u>(1,631,866)</u>
Total other financing sources (uses)	<u>(869,896)</u>	<u>(706,102)</u>
Net change in fund balances	(3,228,117)	(2,001,726)
<b>Fund balances (deficit), beginning of year</b>	<u>8,004,509</u>	<u>10,069,843</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ 4,776,392</u>	<u>\$ 8,068,117</u>

# CITY OF ALBANY, GEORGIA

## BUDGETARY COMPLIANCE

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### **Special Revenue Funds**

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

### **Debt Service Fund**

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

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Special Revenue Funds					
	Hotel/Motel Tax Fund			Computer Aided Dispatch Fund		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Revenues:</b>						
Taxes	\$ 1,398,856	\$ 1,311,461	\$ (87,395)	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	1,663,886	1,667,743	3,857
Interest income	-	-	-	65,000	34,048	(30,952)
Other income	-	-	-	-	-	-
Total revenues	<u>1,398,856</u>	<u>1,311,461</u>	<u>(87,395)</u>	<u>1,728,886</u>	<u>1,701,791</u>	<u>(27,095)</u>
<b>Expenditures:</b>						
Current:						
Judicial	-	-	-	-	-	-
Public safety	-	-	-	1,728,886	1,420,979	307,907
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Community development	699,428	655,731	43,697	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>699,428</u>	<u>655,731</u>	<u>43,697</u>	<u>1,728,886</u>	<u>1,420,979</u>	<u>307,907</u>
Excess (deficiency) of revenues over expenditures	<u>699,428</u>	<u>655,730</u>	<u>(43,698)</u>	<u>-</u>	<u>280,812</u>	<u>280,812</u>
<b>Other financing (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(699,428)	(699,428)	-	-	-	-
Total other financing (uses)	<u>(699,428)</u>	<u>(699,428)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>(43,698)</u>	<u>\$ (43,698)</u>	<u>\$ -</u>	<u>280,812</u>	<u>\$ 280,812</u>
Fund balances (deficit), beginning of year		<u>266,092</u>			<u>2,015,899</u>	
Fund balance (deficit), end of year		<u>\$ 222,394</u>			<u>\$ 2,296,711</u>	

(Continued)

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Special Revenue Funds					
	Grant Fund			Gortatowsky Fund		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	832,677	602,143	(230,534)	-	-	-
Charges for services	-	-	-	-	-	-
Interest income	-	2,489	2,489	-	564	564
Other income	-	-	-	-	350	350
Total revenues	832,677	604,632	(228,045)	-	914	914
<b>Expenditures:</b>						
Current:						
Judicial	20,000	56,403	(36,403)	-	-	-
Public safety	-	72,498	(72,498)	-	-	-
Public works	30,400	69,036	(38,636)	-	-	-
Parks and recreation	-	4,306	(4,306)	-	-	-
Community development	782,277	548,792	233,485	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	832,677	751,035	81,642	-	-	-
Excess (deficiency) of revenues over expenditures	-	(146,403)	(146,403)	-	914	914
<b>Other financing (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing (uses)	-	-	-	-	-	-
Net change in fund balances	\$ -	(146,403)	\$ (146,403)	\$ -	914	\$ 914
Fund balances (deficit), beginning of year		(349,416)			44,731	
Fund balance (deficit), end of year		\$ (495,819)			\$ 45,645	

(Continued)

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Special Revenue Fund			Debt Service Fund		
	ADICA					
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$ 700,000	\$ 765,617	\$ 65,617
Intergovernmental	600,000	250,000	(350,000)	-	-	-
Charges for services	-	-	-	-	-	-
Interest income	-	1,547	1,547	-	26	26
Other income	-	41	41	-	-	-
Total revenues	600,000	251,588	(348,412)	700,000	765,643	65,643
<b>Expenditures:</b>						
Current:						
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Community development	600,000	742,687	(142,687)	-	-	-
Debt service	-	-	-	700,000	3,000	697,000
Total expenditures	600,000	742,687	(142,687)	700,000	3,000	697,000
Excess (deficiency) of revenues over expenditures	-	(491,099)	(491,099)	-	762,643	762,643
<b>Other financing sources (uses):</b>						
Transfers in	-	367,403	367,403	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses):	-	367,403	367,403	-	-	-
Net change in fund balances	\$ -	(123,696)	\$ (123,696)	\$ -	762,643	\$ 762,643
Fund balances (deficit), beginning of year		81,246			6,782	
Fund balance (deficit), end of year		\$ (42,450)			\$ 769,425	

## CITY OF ALBANY, GEORGIA

### NONMAJOR ENTERPRISE FUNDS

---

#### **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. All activities necessary to provide such services are accounted for in this fund.

#### **Municipal Auditorium Fund**

- To account for the operations of the municipal auditorium. All activities necessary to provide such services are accounted for in this fund.

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

**COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2009**

<b>ASSETS</b>	<b>Transit Fund</b>	<b>Civic Center Fund</b>	<b>Municipal Auditorium Fund</b>	<b>Totals</b>
<b>CURRENT ASSETS</b>				
Cash	\$ 100	\$ 401,545	\$ 133,162	\$ 534,807
Accounts receivable, net of allowances	-	8,520	15,101	23,621
Inventories	117,403	-	-	117,403
Due from other funds	37,348	-	-	37,348
Due from other governments	608,324	-	-	608,324
Total current assets	<u>763,175</u>	<u>410,065</u>	<u>148,263</u>	<u>1,321,503</u>
<b>NONCURRENT ASSETS</b>				
Capital assets				
Non-depreciable	292,094	2,739,908	109,853	3,141,855
Depreciable, net of accumulated depreciation	2,187,185	8,087,664	2,812,491	13,087,340
Total noncurrent assets	<u>2,479,279</u>	<u>10,827,572</u>	<u>2,922,344</u>	<u>16,229,195</u>
Total assets	<u>3,242,454</u>	<u>11,237,637</u>	<u>3,070,607</u>	<u>17,550,698</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accrued liabilities	46,605	92,148	3,595	142,348
Current portion - compensated absences	89,132	54,673	-	143,805
Due to other funds	-	5,242	-	5,242
Deferred revenues	94,433	12,465	5,445	112,343
Total current liabilities	<u>230,170</u>	<u>164,528</u>	<u>9,040</u>	<u>403,738</u>

(Continued)



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

**COMBINING STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

	Transit Fund	Civic Center Fund	Municipal Auditorium Fund	Totals
<b>LONG-TERM LIABILITIES</b>				
Compensated absences, net of current portion	\$ 9,904	\$ 6,075	\$ -	\$ 15,979
Advance from other funds	-	5,244	-	5,244
Total long-term liabilities	<u>9,904</u>	<u>11,319</u>	<u>-</u>	<u>21,223</u>
 Total liabilities	 <u>240,074</u>	 <u>175,847</u>	 <u>9,040</u>	 <u>424,961</u>
 <b>NET ASSETS</b>				
Invested in capital assets, net of related debt	2,479,279	10,827,572	2,922,344	16,229,195
Unrestricted	523,101	234,218	139,223	896,542
Total net assets	<u>\$ 3,002,380</u>	<u>\$ 11,061,790</u>	<u>\$ 3,061,567</u>	<u>\$ 17,125,737</u>

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

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Transit Fund	Civic Center Fund	Municipal Auditorium Fund	Totals
<b>Operating revenues:</b>				
Charges for services	\$ 495,279	\$ 255,803	\$ 52,565	\$ 803,647
Total operating revenues	<u>495,279</u>	<u>255,803</u>	<u>52,565</u>	<u>803,647</u>
<b>Operating expenses:</b>				
Personnel costs	1,436,370	727,436	54	2,163,860
Supplies	44,024	31,928	564	76,516
Operating services and charges	784,829	349,382	35,698	1,169,909
Maintenance and repairs	171,001	72,351	21,142	264,494
Depreciation and amortization	365,063	412,618	126,937	904,618
Total operating expenses	<u>2,801,287</u>	<u>1,593,715</u>	<u>184,395</u>	<u>4,579,397</u>
Operating loss	<u>(2,306,008)</u>	<u>(1,337,912)</u>	<u>(131,830)</u>	<u>(3,775,750)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	-	1,008	170	1,178
Interest expense	(1,388)	-	-	(1,388)
Intergovernmental	1,287,617	-	-	1,287,617
Loss on sale of assets	(92,581)	(1,685)	-	(94,266)
Total nonoperating revenues (expenses)	<u>1,193,648</u>	<u>(677)</u>	<u>170</u>	<u>1,193,141</u>
Loss before contributions and transfers	<u>(1,112,360)</u>	<u>(1,338,589)</u>	<u>(131,660)</u>	<u>(2,582,609)</u>

(Continued)

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

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Transit Fund	Civic Center Fund	Municipal Auditorium Fund	Totals
Capital contributions	\$ 143,623	\$ 233,747	\$ 3,028	\$ 380,398
Transfers in	937,168	1,114,098	55,509	2,106,775
Change in net assets	(31,569)	9,256	(73,123)	(95,436)
<b>Total net assets, beginning of year</b>	<u>3,033,949</u>	<u>11,052,534</u>	<u>3,134,690</u>	<u>17,221,173</u>
<b>Total net assets, end of year</b>	<u><u>\$ 3,002,380</u></u>	<u><u>\$ 11,061,790</u></u>	<u><u>\$ 3,061,567</u></u>	<u><u>\$ 17,125,737</u></u>

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

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Transit Fund	Civic Center Fund	Municipal Auditorium Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 464,434	\$ 230,977	\$ 48,596	\$ 744,007
Payments to suppliers	(1,245,594)	(837,203)	(57,415)	(2,140,212)
Payments to employees	(1,396,061)	(627,495)	3,541	(2,020,015)
Net cash used in operating activities	(2,177,221)	(1,233,721)	(5,278)	(3,416,220)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	937,168	1,114,098	55,509	2,106,775
Operating grants received	1,287,617	-	-	1,287,617
Net cash provided by noncapital financing activities	2,224,785	1,114,098	55,509	3,394,392
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal paid on capital leases payable	(58,680)	-	-	(58,680)
Interest paid	(1,388)	-	-	(1,388)
Advance from other funds	-	(5,242)	-	(5,242)
Proceeds from sale of capital assets	12,504	5,184	-	17,688
Net cash used in capital and related financing activities	(47,564)	(58)	-	(47,622)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	-	1,008	170	1,178
Net cash provided by investing activities	-	1,008	170	1,178

(Continued)

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

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Transit Fund	Civic Center Fund	Municipal Auditorium Fund	Totals
<b>Increase (decrease) in cash and cash equivalents</b>	\$ -	\$ (118,673)	\$ 50,401	\$ (68,272)
<b>Cash and cash equivalents:</b>				
Beginning of year	100	520,218	82,761	603,079
End of year	<u>\$ 100</u>	<u>\$ 401,545</u>	<u>\$ 133,162</u>	<u>\$ 534,807</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>				
Operating loss	\$ (2,306,008)	\$ (1,337,912)	\$ (131,830)	\$ (3,775,750)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation and amortization	365,063	412,618	126,937	904,618
(Increase) decrease in accounts receivable	6,504	2,310	(6,456)	2,358
Increase in inventories	(11,527)	-	-	(11,527)
Increase in due from other funds	(37,348)	-	-	(37,348)
Decrease in due from other governments	131,890	-	-	131,890
Increase in accounts payable and accrued liabilities	40,309	99,941	3,595	143,845
Decrease in due to other funds	(366,103)	(383,542)	(11)	(749,656)
Increase (decrease) in deferred revenues	(1)	(27,136)	2,487	(24,650)
Net cash used in operating activities	<u>\$ (2,177,221)</u>	<u>\$ (1,233,721)</u>	<u>\$ (5,278)</u>	<u>\$ (3,416,220)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Contributions of capital assets from governmental activities	<u>\$ 143,623</u>	<u>\$ 233,747</u>	<u>\$ 3,027</u>	<u>\$ 380,397</u>

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

**COMBINING STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

	Self-Administered Insurance Fund	Long-Term Disability Fund	Workers' Compensation Fund	Totals
<b>ASSETS</b>				
Cash	\$ 43,036	\$ 8,417	\$ 30,623	\$ 82,076
Investments	2,379,338	129,861	2,859,264	5,368,463
Total assets	2,422,374	138,278	2,889,887	5,450,539
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Claims payable	1,722,335	-	680,517	2,402,852
Due to other funds	1,975,503	-	507	1,976,010
Total liabilities	3,697,838	-	681,024	4,378,862
<b>NET ASSETS (DEFICIT)</b>				
Unrestricted	(1,275,464)	138,278	2,208,863	1,071,677
Total net assets	\$ (1,275,464)	\$ 138,278	\$ 2,208,863	\$ 1,071,677

# CITY OF ALBANY, GEORGIA

## INTERNAL SERVICE FUNDS

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- Self-Administered Insurance Fund** - To account for the funding of self-insurance and payment of claims and judgments against the City.
- Long-Term Disability Fund** - To account for the accumulation of resources for future long-term disability claims.
- Workers' Compensation Fund** - To account for the accumulation of resources for future workers' compensation claims.

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

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Self-Administered Insurance Fund	Long-Term Disability Fund	Workers' Compensation Fund	Totals
<b>Operating revenues:</b>				
Charges for services	\$ 411,119	\$ -	\$ 72,572	\$ 483,691
Other	-	-	37,508	37,508
Total operating revenues	411,119	-	110,080	521,199
<b>Operating expenses:</b>				
Claims and damages	1,797,667	72,654	835,564	2,705,885
Administrative	60,242	-	303,452	363,694
Total operating expenses	1,857,909	72,654	1,139,016	3,069,579
Operating loss	(1,446,790)	(72,654)	(1,028,936)	(2,548,380)
<b>Interest income</b>	30,449	2,918	42,416	75,783
Change in net assets	(1,416,341)	(69,736)	(986,520)	(2,472,597)
<b>Net assets, beginning of year</b>	140,877	208,014	3,195,383	3,544,274
<b>Net assets (deficit), end of year</b>	\$ (1,275,464)	\$ 138,278	\$ 2,208,863	\$ 1,071,677



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

**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Self-Administered Insurance Fund	Long-Term Disability Fund	Workers' Compensation Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from other funds	\$ 982,123	\$ -	\$ 110,577	\$ 1,092,700
Claims paid	(859,134)	(72,654)	(624,648)	(1,556,436)
Premiums paid	(60,242)	-	(283,452)	(343,694)
Net cash provided by (used in) operating activities	62,747	(72,654)	(797,523)	(807,430)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	-	-	-	-
Net cash provided by noncapital financing activities	-	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	30,449	2,918	42,416	75,783
Net cash provided by investing activities	30,449	2,918	42,416	75,783
Increase (decrease) in cash and cash equivalents	93,196	(69,736)	(755,107)	(731,647)
<b>Cash and cash equivalents:</b>				
Beginning of year	2,329,178	208,014	3,644,994	6,182,186
End of year	\$ 2,422,374	\$ 138,278	\$ 2,889,887	\$ 5,450,539

**(Continued)**

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

**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Self-Administered Insurance Fund	Long-Term Disability Fund	Workers' Compensation Fund	Totals
<b>Classified as:</b>				
Cash	\$ 43,036	\$ 8,417	\$ 30,623	\$ 82,076
Investments	2,379,338	129,861	2,859,264	5,368,463
	<u>\$ 2,422,374</u>	<u>\$ 138,278</u>	<u>\$ 2,889,887</u>	<u>\$ 5,450,539</u>
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating loss	\$ (1,446,790)	\$ (72,654)	\$ (1,028,936)	\$ (2,548,380)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
Increase in claims payable	938,533	-	230,916	1,169,449
Increase in due to other funds	571,004	-	497	571,501
	<u>62,747</u>	<u>(72,654)</u>	<u>(797,523)</u>	<u>(807,430)</u>
Net cash provided by (used in) operating activities	<u>\$ 62,747</u>	<u>\$ (72,654)</u>	<u>\$ (797,523)</u>	<u>\$ (807,430)</u>

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

### 2005 SPECIAL CITY SALES TAX

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
Airport Improvements	\$ 1,703,200	\$ 1,703,200	\$ 1,332,360	\$ 164,823	\$ 1,497,183
Civic Center Improvements	2,560,000	2,560,000	2,330,336	144,943	2,475,279
Engineering	13,850,000	13,750,000	1,108,624	1,041,569	2,150,193
Civic Center Debt Retirement	5,500,000	5,500,000	2,656,306	1,332,750	3,989,056
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	4,700,063	580,280	5,280,343
Recreation	5,000,000	5,000,000	807,914	395,312	1,203,226
800 MHZ Radio Upgrade, Tower	6,800,000	6,800,000	6,235,104	416,127	6,651,231
GPS/GIS Information Infrastructure Mapping	1,500,000	1,500,000	269,396	90,396	359,792
Fire Training Facility	1,500,000	1,500,000	944,567	766,958	1,711,525
GIS/Color Infrared Photos	750,000	750,000	95,362	-	95,362
Disparity Study	350,000	350,000	338,317	1,554	339,871
Riverfront Development Projects	8,650,000	7,151,425	4,468,160	577,774	5,045,934
Thronateeska Improvements	3,500,000	3,900,400	2,395,981	1,501,853	3,897,834
Civil Rights Museum Expansion	3,750,000	4,098,175	2,485,497	1,543,716	4,029,213
Chehaw Park Improvements	2,000,000	2,000,000	129,916	100,480	230,396
East Broad Lead Clean-up	-	850,000	892,453	16,644	909,097
Debt Service - Principal on SPLOST bonds	-	-	-	4,510,000	4,510,000
Debt Service - Interest on SPLOST bonds	-	-	793,833	595,000	1,388,833
Total	<u>\$ 65,873,200</u>	<u>\$ 65,873,200</u>	<u>\$ 31,984,189</u>	<u>\$ 13,780,179</u>	<u>\$ 45,764,368</u>

**NOTE:** The Prior Year column for "Civic Center Debt Retirement" and "Debt Service - Interest on SPLOST bonds" has been corrected to accurately reflect SPLOST debt service expenditures.

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

### 2000 SPECIAL CITY SALES TAX

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
Law Enforcement Center	\$ 14,500,000	\$ 14,500,000	\$ 2,052,840	\$ 39,605	\$ 2,092,445
Debt Retirement	6,811,094	6,811,094	7,037,929	-	7,037,929
Street Improvements	6,500,000	6,500,000	6,499,803	-	6,499,803
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>\$ 22,829,033</u>	<u>\$ 39,605</u>	<u>\$ 22,868,638</u>

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

### 1995 SPECIAL CITY SALES TAX

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
Street and Road Projects	\$ 10,000,000	\$ 10,000,000	\$ 12,962,075	\$ 192,972	\$ 13,155,047
Water and Sewer Extensions	7,200,000	7,200,000	14,841,009	7,424	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>\$ 48,368,138</u>	<u>\$ 200,396</u>	<u>\$ 48,568,534</u>

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

### 1990 SPECIAL CITY SALES TAX

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
Chehaw Park Improvements	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ -	\$ 6,000,000
Albany Street Lights	2,500,000	2,500,000	1,186,584	-	1,186,584
Conference Center	2,500,000	2,500,000	302,227	-	302,227
Total	<u>\$ 11,000,000</u>	<u>\$ 11,000,000</u>	<u>\$ 7,488,811</u>	<u>\$ -</u>	<u>\$ 7,488,811</u>

## STATISTICAL SECTION

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

### Contents

### Page

#### **Financial Trends ..... 135 - 143**

*These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*

#### **Revenue Capacity ..... 144 - 149**

*These schedules contain information to help the reader assess the City's most significant local revenue sources.*

#### **Debt Capacity ..... 150 - 153**

*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.*

#### **Demographic and Economic Information ..... 154 - 156**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*

#### **Operating Information ..... 157 and 158**

*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.*

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 ASSETS BY COMPONENT LAST SEVEN FISCAL YEARS

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	\$ 55,137,111	\$ 61,293,366	\$ 79,137,673	\$ 63,265,904	\$ 50,077,946	\$ 70,610,705	\$ 78,428,752
Restricted	309,413	51,416	101	15,013,027	22,207,175	21,328,367	16,456,922
Unrestricted	26,826,914	34,523,181	26,893,280	28,798,084	53,087,410	44,719,433	40,133,840
Total governmental activities net assets	<u>\$ 82,273,438</u>	<u>\$ 95,867,963</u>	<u>\$ 106,031,054</u>	<u>\$ 107,077,015</u>	<u>\$ 125,372,531</u>	<u>\$ 136,658,505</u>	<u>\$ 135,019,514</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 45,691,981	\$ 48,136,706	\$ 49,256,423	\$ 73,004,315	\$ 82,562,046	\$ 86,139,998	\$ 87,159,039
Restricted	7,503,533	7,885,008	5,287,933	2,664,869	2,611,185	575,157	3,009,678
Unrestricted	6,377,188	7,319,208	10,898,996	13,281,984	14,604,568	20,104,218	19,368,954
Total business-type activities net assets	<u>\$ 59,572,702</u>	<u>\$ 63,340,922</u>	<u>\$ 65,443,352</u>	<u>\$ 88,951,168</u>	<u>\$ 99,777,799</u>	<u>\$ 106,819,373</u>	<u>\$ 109,537,671</u>
Primary government							
Invested in capital assets, net of related debt	\$ 100,829,092	\$ 109,430,072	\$ 128,394,096	\$ 136,270,219	\$ 132,639,992	\$ 156,750,703	\$ 165,587,791
Restricted	7,812,946	7,936,424	5,288,034	17,677,896	24,818,360	21,903,524	19,466,600
Unrestricted	33,204,102	41,842,389	37,792,276	42,080,068	67,691,978	64,823,651	59,502,794
Total primary government net assets	<u>\$ 141,846,140</u>	<u>\$ 159,208,885</u>	<u>\$ 171,474,406</u>	<u>\$ 196,028,183</u>	<u>\$ 225,150,330</u>	<u>\$ 243,477,878</u>	<u>\$ 244,557,185</u>

### NOTES

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

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

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

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



# CITY OF ALBANY, GEORGIA

## CHANGES IN NET ASSETS LAST SEVEN FISCAL YEARS

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>							
Primary government:							
Governmental activities:							
General government	\$ 7,262,456	\$ 7,276,172	\$ 8,137,913	\$ 8,434,146	\$ 11,031,409	\$ 13,063,421	\$ 12,215,564
Judicial	602,121	559,782	534,486	699,203	874,234	910,240	952,323
Public safety	26,426,783	24,026,801	28,127,098	25,879,588	26,853,620	30,268,106	31,206,297
Public works	3,309,918	6,095,676	4,628,392	3,956,468	8,148,684	8,306,157	7,695,464
Parks and recreation	3,946,885	3,136,304	5,224,944	4,349,931	7,195,375	12,818,108	9,079,385
Community development	12,346,081	17,408,508	17,583,267	9,925,973	9,283,562	7,497,726	5,591,053
Community service	354,501	413,405	387,919	272,044	341,999	336,411	399,347
Interest and fiscal changes	675,902	593,219	1,144,069	1,283,108	1,318,996	1,515,177	1,549,738
Total governmental activities expenses	<u>54,924,647</u>	<u>59,509,867</u>	<u>65,768,088</u>	<u>54,800,461</u>	<u>65,047,879</u>	<u>74,715,346</u>	<u>68,689,171</u>
Business-type activities:							
Sanitary sewer	11,940,921	11,520,444	11,449,170	13,561,191	13,400,852	13,503,253	14,402,906
Solid waste	6,333,690	6,158,567	6,223,987	7,002,226	7,473,428	8,206,745	8,499,616
Airport	1,292,206	1,197,088	1,602,919	1,764,616	1,557,618	2,195,398	2,415,280
Public employee deposit	15,025,032	15,330,991	13,934,182	15,186,576	17,909,891	19,935,572	13,042,126
Transit	2,749,749	3,108,171	2,649,153	3,029,095	3,185,794	3,435,890	2,902,980
Civic Center	1,605,582	1,469,785	1,500,860	1,617,272	1,702,874	1,807,638	1,603,124
Municipal Auditorium	302,700	216,235	213,443	182,094	154,036	160,829	192,119
Total business-type activities expenses	<u>39,249,880</u>	<u>39,001,281</u>	<u>37,573,714</u>	<u>42,343,070</u>	<u>45,384,493</u>	<u>49,245,325</u>	<u>43,058,151</u>
Total primary government expenses	<u>94,174,527</u>	<u>98,511,148</u>	<u>103,341,802</u>	<u>97,143,531</u>	<u>110,432,372</u>	<u>123,960,671</u>	<u>111,747,322</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## CHANGES IN NET ASSETS LAST SEVEN FISCAL YEARS

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
<b>Program revenues</b>							
Primary government:							
Governmental activities:							
Charges for services							
General government	\$ 7,614,709	\$ 2,673,068	\$ 2,523,557	\$ 2,339,933	\$ 2,349,462	\$ 2,676,493	\$ 2,466,315
Judicial	1,474,669	1,540,161	1,285,247	1,029,011	856,868	999,810	1,109,205
Public safety	2,391,922	1,468,067	1,747,826	1,517,385	1,538,804	1,691,284	1,715,042
Public works	1,045,966	1,080,248	1,401,512	1,242,302	2,105,018	806,260	792,786
Parks and recreation	358,926	131,136	326,707	362,668	454,975	437,344	335,993
Community development	3,845,280	3,482,564	8,938,601	2,377,746	2,055,849	2,961,169	481,049
Operating grants and contributions	10,687,430	12,845,939	14,014,169	14,311,112	13,729,819	15,310,571	18,090,264
Capital grants and contributions	3,616,653	13,489,455	6,734,862	4,171,793	2,569,404	15,916,286	2,033,058
Total governmental activities program revenues	31,035,555	36,710,638	36,972,481	27,351,950	25,660,199	40,799,217	27,023,712
Business-type activities:							
Charges for services							
Sanitary sewer	11,451,610	11,909,095	12,545,688	13,902,053	14,321,155	15,184,281	15,111,550
Solid waste	6,518,902	6,732,636	7,312,754	7,775,530	8,271,443	8,262,522	8,412,723
Airport	639,012	688,356	728,848	713,386	757,547	812,117	728,191
Public employee deposit	13,908,768	15,321,954	13,946,036	15,179,150	17,868,487	19,927,744	13,034,004
Transit	362,131	416,702	397,778	417,598	436,988	429,695	495,279
Civic Center	383,252	453,616	376,832	419,460	446,822	282,776	255,803
Municipal Auditorium	48,583	35,561	33,719	34,693	26,732	42,388	52,565
Operating grants and contributions	802,838	2,729,182	1,086,587	3,035,050	2,027,577	2,321,938	1,678,305
Capital grants and contributions	9,672,557	1,741,879	525,111	477,633	9,076,175	5,818,085	2,872,902
Total business-type activities program revenues	43,787,653	40,028,981	36,953,353	41,954,553	53,232,926	53,081,546	42,641,322
Total primary government program revenues	74,823,208	76,739,619	73,925,834	69,306,503	78,893,125	93,880,763	69,665,034

(Continued)

# CITY OF ALBANY, GEORGIA

## CHANGES IN NET ASSETS LAST SEVEN FISCAL YEARS

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
<b>General revenues and other changes in net assets</b>							
Primary government:							
Governmental activities:							
Taxes	\$ 38,173,693	\$ 38,756,600	\$ 40,498,497	\$ 50,255,224	\$ 45,807,436	\$ 47,569,215	\$ 41,747,300
Investment earnings	268,969	261,691	933,302	1,591,370	2,135,978	2,255,534	1,163,072
Gain on sale of assets	(2,579,721)	-	-	-	-	-	-
Transfers	(2,787,436)	(2,624,537)	(2,473,101)	(23,352,122)	(2,185,301)	(2,543,171)	(2,883,904)
Total governmental activities general revenues and other changes in net assets	33,075,505	36,393,754	38,958,698	28,494,472	45,758,113	47,281,578	40,026,468
Business-type activities:							
Investment earnings	186,037	115,889	249,690	544,211	792,897	662,182	251,223
Gain on sale of assets	141,972	94	-	-	-	-	-
Transfers	2,787,436	2,624,537	2,473,101	23,352,122	2,185,301	2,543,171	2,883,904
Total business-type activities general revenues and other changes in net assets	3,115,445	2,740,520	2,722,791	23,896,333	2,978,198	3,205,353	3,135,127
Total primary government general revenues and other changes in net assets	36,190,950	39,134,274	41,681,489	52,390,805	48,736,311	50,486,931	43,161,595
<b>Change in net assets</b>							
Governmental activities	9,186,413	13,594,525	10,163,091	1,045,961	6,370,433	13,365,449	(1,638,991)
Business-type activities	7,653,218	3,768,220	2,102,430	23,507,816	10,826,631	7,041,574	2,718,298
Total primary government change in net assets	\$ 16,839,631	\$ 17,362,745	\$ 12,265,521	\$ 24,553,777	\$ 17,197,064	\$ 20,407,023	\$ 1,079,307

(Continued)

## CITY OF ALBANY, GEORGIA

### CHANGES IN NET ASSETS LAST SEVEN FISCAL YEARS

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#### NOTES

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

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

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

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

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

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

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

# CITY OF ALBANY, GEORGIA

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

Fiscal Year	Property Tax	Sales Tax	Hotel Motel Tax	Franchise Tax	Insurance Premium Tax	Alcoholic Beverage Tax	Other Taxes	Total
2003	\$ 14,407,467	\$ 16,357,288	\$ 692,898	\$ 1,992,530	\$ 3,083,865	\$ 1,330,767	\$ 308,878	\$ 38,173,693
2004	14,404,199	16,541,996	769,770	2,070,851	3,320,225	1,371,654	277,905	38,756,600
2005	14,194,137	18,272,298	843,973	2,010,343	3,596,638	1,381,630	199,478	40,498,497
2006	14,581,340	27,509,223	895,252	1,808,258	3,865,223	1,390,224	205,704	50,255,224
2007	14,794,429	23,014,619	1,307,342	2,169,665	4,042,768	1,402,865	170,946	46,902,634
2008	14,776,748	23,380,560	1,378,411	2,184,755	4,218,975	1,457,124	172,642	47,569,215
2009	13,964,606	18,269,427	1,311,461	2,272,999	4,323,680	1,433,699	171,428	41,747,300

### 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.

# CITY OF ALBANY, GEORGIA

## FUND BALANCES OF GOVERNMENTAL FUNDS LAST SEVEN FISCAL YEARS

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
General Fund							
Reserved	\$ 341,529	\$ 2,114,167	\$ 1,336,545	\$ 354,352	\$ 318,989	\$ 395,504	\$ 573,383
Unreserved	11,633,185	12,459,929	16,311,481	21,337,958	23,946,604	22,117,285	18,627,452
Total General Fund	<u>\$ 11,974,714</u>	<u>\$ 14,574,096</u>	<u>\$ 17,648,026</u>	<u>\$ 21,692,310</u>	<u>\$ 24,265,593</u>	<u>\$ 22,512,789</u>	<u>\$ 19,200,835</u>
All Other Governmental Funds							
Reserved	\$ 309,413	\$ 1,821,456	\$ 1,649,736	\$ 659,967	\$ 3,215,569	\$ 2,081,497	\$ 2,945,507
Unreserved, reported in:							
Special revenue funds	3,551,701	7,061,448	2,737,210	3,876,252	5,274,345	5,513,089	5,676,146
Capital projects funds	971,397	830,905	10,535,048	19,760,677	25,588,135	25,705,739	18,333,452
Total All Other Governmental Funds	<u>\$ 4,832,511</u>	<u>\$ 9,713,809</u>	<u>\$ 14,921,994</u>	<u>\$ 24,296,896</u>	<u>\$ 34,078,049</u>	<u>\$ 33,300,325</u>	<u>\$ 26,955,105</u>
Total Governmental Funds							
Reserved	\$ 650,942	\$ 3,935,623	\$ 2,986,281	\$ 1,014,319	\$ 3,534,558	\$ 2,477,001	\$ 3,518,890
Unreserved	16,156,283	20,352,282	29,583,739	44,974,887	54,809,084	53,336,113	42,637,050
Total Governmental Funds	<u>\$ 16,807,225</u>	<u>\$ 24,287,905</u>	<u>\$ 32,570,020</u>	<u>\$ 45,989,206</u>	<u>\$ 58,343,642</u>	<u>\$ 55,813,114</u>	<u>\$ 46,155,940</u>

### NOTES

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

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

# CITY OF ALBANY, GEORGIA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST SEVEN FISCAL YEARS

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
<b>Revenues:</b>							
Taxes	\$ 38,173,693	\$ 38,756,600	\$ 40,498,497	\$ 50,255,224	\$ 46,608,379	\$ 47,271,610	\$ 41,461,664
Licenses and permits	2,401,566	2,364,806	2,456,898	2,318,314	2,320,724	2,434,916	2,258,362
Intergovernmental	14,304,083	25,019,912	20,749,032	18,482,905	16,299,223	16,756,831	20,123,322
Charges for services	2,626,567	2,400,419	2,927,843	2,074,804	2,146,007	2,324,102	2,233,114
Fines and forfeitures	1,486,248	1,425,568	1,143,169	917,565	776,268	901,009	1,025,445
Rental and other fees	105,422	308,479	394,162	415,623	339,325	297,605	-
Interest revenues	268,969	248,335	875,573	1,459,136	1,941,959	2,041,946	1,087,289
Other revenues	3,480,258	2,596,440	4,001,631	3,609,044	3,648,717	3,166,757	2,738,209
Total revenues	62,846,806	73,120,559	73,046,805	79,532,615	74,080,602	75,194,776	70,927,405
<b>Expenditures:</b>							
Current:							
General government	5,678,800	7,967,730	7,556,000	8,620,186	9,884,652	11,875,762	8,976,530
Judicial	620,677	551,910	523,917	690,775	855,330	907,934	986,359
Public safety	24,292,930	27,113,101	26,109,519	24,707,476	26,272,002	28,732,159	28,655,558
Public works	7,981,996	8,234,310	4,565,533	4,150,883	6,711,134	6,781,237	6,990,544
Parks and recreation	5,221,029	5,522,857	4,469,555	4,681,306	4,143,167	4,341,644	4,542,627
Community development	12,023,383	16,668,421	17,292,703	8,816,126	4,644,429	6,036,774	5,018,810
Community service	349,093	408,489	387,919	272,044	341,999	336,411	399,347
Nondepartmental	5,029,716	-	-	-	-	-	-
Capital outlay	-	-	6,296,112	8,322,946	18,478,624	13,814,675	11,114,264
Debt service:							
Principal	2,055,618	2,458,334	1,395,000	3,145,000	1,430,000	1,450,000	6,000,000
Interest and fiscal charges	321,622	625,924	1,158,190	1,212,434	1,254,684	1,558,994	1,501,459
Total expenditures	63,574,864	69,551,076	69,754,448	64,619,176	74,016,021	75,835,590	74,185,498
Excess of revenues over expenditures	(728,058)	3,569,483	3,292,357	14,913,439	64,581	(640,814)	(3,258,093)

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# CITY OF ALBANY, GEORGIA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST SEVEN FISCAL YEARS

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Other financing sources (uses)							
Transfers in	\$ 8,191,348	\$ 3,700,994	\$ 5,609,353	\$ 6,258,438	\$ 3,526,240	\$ 4,327,235	\$ 2,270,397
Transfers out	(6,304,179)	(6,267,196)	(7,482,454)	(8,444,077)	(5,711,311)	(6,870,406)	(5,154,301)
Capital leases	1,253,387	977,399	-	-	-	-	-
Issuance of debt	150,000	5,500,000	-	-	14,236,362	-	-
Sale of capital assets	-	-	-	691,386	455,206	653,457	206,758
Total other financing sources (uses)	<u>3,290,556</u>	<u>3,911,197</u>	<u>(1,873,101)</u>	<u>(1,494,253)</u>	<u>12,506,497</u>	<u>(1,889,714)</u>	<u>(2,677,146)</u>
Net change in fund balances	<u>\$ 2,562,498</u>	<u>\$ 7,480,680</u>	<u>\$ 1,419,256</u>	<u>\$ 13,419,186</u>	<u>\$ 12,571,078</u>	<u>\$ (2,530,528)</u>	<u>\$ (5,935,239)</u>
Debt service as a percentage of noncapital expenditures	3.74%	4.43%	4.03%	7.29%	4.29%	4.34%	11.18%

### NOTES

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

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

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

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

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

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



# CITY OF ALBANY, GEORGIA

## GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE LAST SEVEN 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
2003	\$ 14,407,467	\$ 16,357,288	\$ 692,898	\$ 1,992,530	\$ 3,083,865	\$ 1,330,767	\$ 308,878	\$ 38,173,693
2004	14,404,199	16,541,996	739,770	2,070,851	3,320,225	1,371,654	277,905	38,726,600
2005	14,194,137	18,272,298	843,973	2,010,343	3,596,638	1,381,630	199,478	40,498,497
2006	14,581,340	27,509,223	895,252	1,808,258	3,865,223	1,390,224	205,704	50,255,224
2007	14,794,429	23,014,619	1,307,342	2,169,665	4,042,768	1,402,864	197,673	46,929,360
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	17,983,791	1,311,461	2,272,999	4,323,680	1,433,699	171,428	41,461,664

### NOTES

Due to other changes in the City's fund structure connected with the implementation of GASB 34, comparative general fund tax revenues are not available prior to 2003.

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.

# 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	
2000	\$ 831,488	\$ 2,078,720	\$ 475,704	\$ 1,189,260	\$ 92,553	\$ 1,214,639	\$ 3,036,598	9.80
2001	851,080	2,127,700	493,593	1,233,984	89,732	1,254,941	3,137,353	9.80
2002	865,432	2,163,580	526,836	1,317,090	92,923	1,299,345	3,248,362	10.80
2003	930,781	2,326,953	498,843	1,247,108	88,159	1,341,465	3,353,663	10.80
2004	936,278	2,340,695	462,177	1,155,443	73,933	1,324,522	3,311,305	10.80
2005	950,163	2,375,408	456,120	1,140,300	82,598	1,323,685	3,309,213	10.80
2006	961,837	2,404,593	467,731	1,169,327	85,940	1,343,628	3,359,070	10.79
2007	981,349	2,453,374	466,890	1,167,227	99,744	1,348,495	3,620,601	10.78
2008	1,225,531	3,063,828	478,728	1,196,820	103,518	1,600,741	4,001,853	9.16
2009	1,218,665	3,046,663	501,002	1,252,505	110,843	1,608,824	4,022,060	9.16

### 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		
2000	9.340	0.460	9.800	11.100	0.000	11.100	17.700	0.000	17.700	0.25	39.060
2001	9.800	0.000	9.800	11.100	0.000	11.100	17.700	0.000	17.700	0.25	38.850
2002	10.800	0.000	10.800	11.100	0.000	11.100	17.700	0.000	17.700	0.25	39.850
2003	10.800	0.000	10.800	10.658	0.000	10.658	17.550	0.000	17.550	0.25	39.258
2004	10.800	0.000	10.800	10.658	0.000	10.658	19.000	0.000	19.000	0.25	40.708
2005	10.800	0.000	10.800	13.158	0.000	13.158	19.000	0.000	19.000	0.25	43.208
2006	10.790	0.000	10.790	13.158	0.000	13.158	19.000	0.000	19.000	0.25	43.198
2007	10.777	0.000	10.777	13.147	0.000	13.147	18.984	0.000	18.984	0.25	43.158
2008	9.159	0.000	9.159	11.897	0.000	11.897	18.450	0.000	18.450	0.25	39.756
2009	9.157	0.000	9.157	11.894	0.000	11.894	18.445	0.000	18.445	0.25	39.746

**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 SIX CALENDAR YEARS (1) (2)

By Category	2004	2005	2006	2007	2008	2009 (3)
Food	\$ 3,148,127	\$ 3,463,700	\$ 3,802,908	\$ 3,923,148	\$ 3,677,474	\$ 1,121,656
Apparel	544,168	631,284	676,270	688,235	683,128	261,751
General	2,304,540	2,307,265	2,403,887	2,448,008	2,402,603	886,475
Automotive	2,898,682	2,811,281	2,916,549	3,030,301	3,377,416	819,387
Home	846,121	939,734	1,034,018	982,259	916,640	304,158
Lumber	1,193,728	1,226,793	1,264,403	1,237,612	1,078,029	247,265
Miscellaneous Service	829,754	842,618	924,728	930,366	1,006,135	312,409
Manufacturers	1,744,149	1,220,279	1,712,880	1,551,973	1,718,753	375,808
Utilities	1,311,603	1,339,453	1,517,393	1,480,452	1,594,512	446,649
Miscellaneous	1,676,383	1,800,816	1,864,146	1,997,795	1,619,727	372,906
	<u>\$ 16,497,255</u>	<u>\$ 16,583,223</u>	<u>\$ 18,117,182</u>	<u>\$ 18,270,149</u>	<u>\$ 18,074,417</u>	<u>\$ 5,148,464</u>

Source: Georgia Department of Revenue, Local Government Services Division

### Notes:

- (1) Only six years of data are available
- (2) Information only available for Dougherty County
- (3) Information only available from January through April

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

Taxpayer	Type of Business	Fiscal Year 2008			Fiscal Year 2001		
		2008 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2000 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Miller Brewing Company	Brewery	\$ 53,481,660	1	3.32 %	\$ 53,944,311	1	4.44 %
BellSouth	Utility	19,689,654	2	1.22	23,016,499	3	1.90
M & M Mars - Div of Mars, Inc.	Confectioner	15,610,112	3	0.97	23,059,706	2	1.89
Palmyra Medical Center	Hospital	14,893,650	4	0.93	10,225,961	4	0.81
Aronov/Albany Mall LLC	Mall developer	14,455,405	5	0.90	9,892,515	5	0.46
Bassford N L Jr.	Warehousing	7,337,519	6	0.46	-	-	-
Yancey Brothers	Heavy Equipment	7,139,920	7	0.44	-	-	-
Lowe's Home Center	Building Supplies	6,560,954	8	0.41	-	-	-
Wal Mart / Sam's Club	Retailer	6,187,778	9	0.38	8,916,266	6	0.73
Coats and Clark	Textiles	6,096,579	10	0.38	5,561,920	9	0.84
Carlton Company	Heavy equipment	-	-	-	7,959,928	7	0.66
Georgia Power Company	Public Utility	-	-	-	5,662,935	8	0.47
Flint River Textiles	Textiles	-	-	-	5,403,336	10	0.44
		<u>\$ 151,453,231</u>		<u>9.41 %</u>	<u>\$ 153,643,377</u>		<u>12.64 %</u>

**SOURCE**

Dougherty County Tax Department

Information pertaining to principal property taxpayers was not available prior to fiscal year 2001.

2001 from City of Albany Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001.

**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
2000	\$ 10,533	\$ 10,498	99.67 %	\$ 93	\$ 10,591	100.55 %
2001	10,836	10,886	100.46	91	10,977	101.30
2002	12,261	11,896	97.02	152	12,048	98.26
2003	12,750	11,616	91.11	109	11,725	91.96
2004	12,684	12,535	98.83	63	12,598	99.32
2005	12,736	12,505	98.19	123	12,628	99.15
2006	12,988	12,791	98.48	95	12,886	99.21
2007	13,077	12,901	98.65	157	13,058	99.85
2008	13,164	12,872	97.78	162	13,034	99.01
2009	13,400	12,329	92.01	-	12,329	92.01

**SOURCE**  
Dougherty County Tax Department

# CITY OF ALBANY, GEORGIA

## RATIO OF OUTSTANDING DEBT BY TYPE LAST SEVEN 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			
2003	\$ 11,110,000	\$ 10,000,000	\$ 600,000	\$ 50,020,000	\$ 1,038,517	\$ 575,860	\$ 73,344,377	6.57%	\$ 962.50
2004	9,815,000	10,000,000	6,050,000	48,160,000	862,359	481,862	75,369,221	6.92%	988.41
2005	8,470,000	10,000,000	6,000,000	46,195,000	678,054	383,366	71,726,420	6.10%	945.04
2006	5,975,000	10,000,000	5,350,000	44,115,000	485,189	280,156	66,205,345	4.44%	878.81
2007	18,870,000	10,000,000	5,525,000	39,650,000	283,329	172,006	74,500,335	4.31%	988.15
2008	17,720,000	10,000,000	5,225,000	39,110,000	120,054	58,681	72,233,735	2.43%	952.64
2009	12,020,000	10,000,000	4,925,000	36,670,000	51,586	-	63,666,586	4.14%	839.59

### NOTES

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

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

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

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

# 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
2000	\$ 16,560,000	\$ 1,654,863	\$ 14,905,137	0.49 %	\$ 192
2001	12,380,000	1,699,702	10,680,298	0.34	139
2002	11,905,000	64,305	11,840,695	0.36	155
2003	11,110,000	58,116	11,051,884	0.33	145
2004	9,815,000	69,253	9,745,747	0.29	128
2005	8,470,000	6,831	8,463,169	0.26	112
2006	5,975,000	6,851	5,968,149	0.18	79
2007	18,870,000	6,868	18,863,132	0.52	250
2008	17,720,000	6,782	17,713,218	0.44	234
2009	12,020,000	6,808	12,013,192	0.30	158

### 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.



# CITY OF ALBANY, GEORGIA

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

	2002	2003	2004	2005	2006	2007	2008	2008
<b>LEGAL DEBT MARGIN</b>								
Debt limit	\$ 139,227	\$ 142,962	\$ 139,846	\$ 140,628	\$ 142,957	\$ 126,697	\$ 170,426	\$ 171,158
Total net debt applicable to limit	11,841	11,052	9,746	8,463	5,968	18,863	3,720	2,430
Legal debt margin	<u>\$ 127,386</u>	<u>\$ 131,910</u>	<u>\$ 130,100</u>	<u>\$ 132,165</u>	<u>\$ 136,989</u>	<u>\$ 107,834</u>	<u>\$ 166,706</u>	<u>\$ 168,728</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>8.50%</u>	<u>7.73%</u>	<u>6.97%</u>	<u>6.02%</u>	<u>4.17%</u>	<u>14.89%</u>	<u>2.18%</u>	<u>1.42%</u>
<b>LEGAL DEBT MARGIN CALCULATION</b>								
Assessed value	\$ 1,299,345	\$ 1,341,465	\$ 1,324,522	\$ 1,323,685	\$ 1,343,628	\$ 99,744	\$ 1,600,741	\$ 1,608,824
Add back exempt property	92,923	88,159	73,933	82,598	85,940	1,167,227	103,518	110,843
Total assessed value	<u>1,392,268</u>	<u>1,429,624</u>	<u>1,398,455</u>	<u>1,406,283</u>	<u>1,429,568</u>	<u>1,266,971</u>	<u>1,704,259</u>	<u>1,719,667</u>
Debt limit (10% of total assessed value)	139,227	142,962	139,846	140,628	142,957	126,697	170,426	171,967
Debt applicable to limit								
General obligation bonds	11,905	11,110	9,815	8,470	5,975	18,870	17,720	12,020
Less amount set aside for repayment of general obligation debt	(64)	(58)	(69)	(7)	(7)	(7)	(7)	(7)
Total net debt applicable to limit	<u>11,841</u>	<u>11,052</u>	<u>9,746</u>	<u>8,463</u>	<u>5,968</u>	<u>18,863</u>	<u>17,713</u>	<u>12,013</u>
Legal debt margin	<u>\$ 127,386</u>	<u>\$ 131,910</u>	<u>\$ 130,100</u>	<u>\$ 132,165</u>	<u>\$ 136,989</u>	<u>\$ 107,834</u>	<u>\$ 152,713</u>	<u>\$ 159,954</u>

### NOTES

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

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

# CITY OF ALBANY, GEORGIA

## PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS

Fiscal Year	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2000	\$ 9,919,390	\$ 6,579,283	\$ 3,340,107	\$ 1,235,000	\$ 2,169,317	0.98
2001	10,794,856	5,403,121	5,391,735	1,295,000	2,092,910	1.59
2002	11,939,663	6,067,011	5,872,652	1,350,000	2,692,568	1.45
2003	11,510,470	6,253,648	5,256,822	1,420,000	1,575,161	1.76
2004	11,914,002	6,222,521	5,691,481	1,860,000	2,502,784	1.30
2005	12,681,971	6,255,038	6,426,933	1,965,000	2,417,461	1.47
2006	14,296,012	7,660,827	6,635,185	2,080,000	2,325,789	1.51
2007	14,953,008	7,484,658	7,468,350	2,170,000	2,449,322	1.62
2008	15,722,157	8,266,328	7,455,829	2,440,000	1,732,081	1.79
2009	15,247,206	9,116,960	6,130,246	2,525,000	1,632,087	1.47

### NOTES

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

Sewer Charges and Other includes investment earnings.

Operating expenses do not include depreciation and amortization.

# CITY OF ALBANY, GEORGIA

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	(1) Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age (1)	Education Level in Years of Formal Schooling (1)	School (2) Enrollment	(%) Unemployment Rate (3)
2000	77,545	\$ 835,625	\$ 10,776 (1)	30.0	12.5	17,310	5.3
2001	76,939	1,702,045	22,122 (1)	32.2	12.5	17,068	6.2
2002	76,271	971,921	12,743 (4)	31.1	12.5	16,799	6.3
2003	76,202	1,116,283	14,649 (1)	31.1	12.5	16,710	5.6
2004	76,253	1,089,808	14,292 (1)	31.1	12.5	16,607	5.2
2005	75,898	1,175,281	15,485 (1)	31.1	12.5	16,844	6.2
2006	75,335	1,491,558	19,799 (1)	31.1	12.5	16,894	6.1
2007	75,394	1,728,030	22,920 (1)	31.1	12.5	16,668	4.5
2008	75,825	2,971,354	39,187 (1)	33.5	12.5	16,436	4.9
2009	75,831	1,538,156	20,284 (1)	33.1	12.5	16,222	7.5

### SOURCES

- (1) Bureau of Census, Albany Dougherty Chamber of Commerce and Georgia Power Company
- (2) Dougherty County Board of Education
- (3) Bureau of Census/State of Georgia - Department of Human Resources

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

Employer (1)	Fiscal Year 2008			Fiscal Year 2001		
	Employees (1)	Rank	Percentage of Total City Employment	Employees (1)	Rank	Percentage of Total City Employment
Phoebe Putney Hospital	3,804	1	7.58 %	3,015	1	5.51 %
USMC Logistic Base (Civilian)	3,081	2	6.14	3,175	3	5.81
Dougherty County Board of Education	2,934	3	5.84	2,900	2	5.30
Proctor and Gamble	1,394	4	2.78	1,500	4	2.74
City of Albany	1,387	5	2.76	1,234	5	2.26
Dougherty County	669	6	1.33	1,200	6	2.19
Miller Brewing Company	650	7	1.29	650	7	1.19
Albany State University	550	8	1.10	680	8	1.24
Teleperformance USA	474	9	0.94	-		-
Paimyra Medical Center	454	10	2.95	-		-
Bobs Candies	-		-	638	9	1.17
M&M Mars - Div of Mars, Inc.	-		-	600	10	1.10
Totals	15,397		32.71 %	15,592		28.52
Average number of employees (2)	50,216			54,678		

**SOURCE**

(1) Albany Chamber of Commerce

(2) Georgia Department of Labor

**NOTE**

Information pertaining to principal employers was not available prior to fiscal year 2001.

# CITY OF ALBANY, GEORGIA

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government	177	177	171	170	170	174	140	145
Judicial	6	6	6	8	11	11	11	12
Public safety	467	467	464	461	394	404	435	466
Public works	164	164	165	165	41	41	42	42
Parks and recreation	60	60	60	60	57	57	57	60
Community development	12	12	12	12	12	12	12	12
Sanitary sewer	59	58	58	59	68	68	68	68
Solid waste	48	48	49	52	51	49	49	49
Airport	18	18	17	17	14	14	17	17
Transit	29	29	29	29	29	29	29	30
Civic Center	16	16	16	16	15	16	16	17
Auditorium	1	1	1	1	1	-	-	-
	<u>1,057</u>	<u>1,056</u>	<u>1,048</u>	<u>1,050</u>	<u>863</u>	<u>875</u>	<u>876</u>	<u>918</u>

Source: City of Albany Budget Document

**CITY OF ALBANY, GEORGIA**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST EIGHT FISCAL YEARS**

Function	Fiscal Year Ended June 30,							
	2002	2003	2004	2005	2006	2007	2008	2009
Sanitary sewer								
Average daily treatment (thousands of gallons)	18,295	17,640	18,653	18,653	18,653	16,230	15,958	16,369
Airport								
Number of daily flights	8	8	8	8	8	8	4	3
Number of enplaned passengers	34,336	35,920	35,461	39,954	39,954	37,109	40,835	35,128
Number of deplaned passengers	34,534	35,094	34,044	38,156	38,156	35,829	39,226	34,499
Number of based aircraft	52	47	44	40	40	35	38	39
Police								
Citations issued	21,650	17,982	18,526	16,090	11,297	10,552	11,082	N/A
DUI Citations issued	287	269	193	139	96	228	153	N/A
Warnings issued	954	1,423	2,555	3,046	3,424	3,235	3,151	N/A
Crime Statistics:								
Aggravated Assault	231	233	250	252	284	341	389	573
Auto Theft	284	401	349	329	399	379	298	347
Murder	7	6	5	8	8	8	11	8
Rape	43	37	52	40	31	34	33	44
Robbery	210	261	217	216	242	205	207	247
Burglary	1,297	1,280	1,576	1,705	1,645	1,558	1,520	1,450
Theft	3,319	2,967	3,375	2,958	3,239	3,299	3,615	3,049
Fire								
Incident responses	3,434	1,587	2,959	3,141	2,779	3,706	3,511	2,234
Public Safety Education								
Events	87	65	73	52	81	61	103	1,264
Persons contacted	108,655	100,563	107,682	123,340	124,086	110,060	6,022	3,579

**SOURCE**

Various city departments

N/A - Information not available.

**NOTE**

Operating indicators are not available for the general government function.

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

Function	Fiscal Year Ended June 30,							
	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety								
Police								
Fleet size	185	186	186	170	170	170	170	170
Fire stations	11	11	11	11	11	11	11	11
Public Works								
Miles of streets	430	568	568	559	559	559	559	559
Number of street lights	8,503	8,503	8,503	8,503	10,420	11,247	11,247	11,247
Culture and Recreation								
Park acreage	1,104	1,104	1,104	1,104	1,300	1,300	1,300	1,300
Parks	45	45	45	45	44	54	54	54
Golf course	1	1	1	1	1	1	1	1
Swimming pools	2	2	2	2	1	1	1	1
Tennis courts	17	17	17	17	20	22	22	22
Sewerage System								
Miles of sanitary sewer	350	350	350	350	350	350	350	350
Miles of storm sewer	400	400	400	400	400	400	400	400
Number of treatment plants	1	1	1	1	1	1	1	1

**SOURCE**

Various City departments

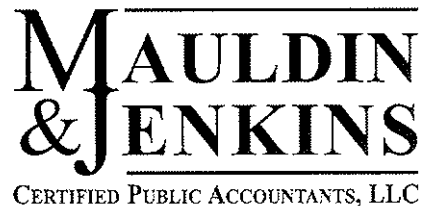
**NOTE**

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

## SINGLE AUDIT SECTION

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Albany, Georgia as of and for the year ended June 30, 2009, which collectively comprise the City of Albany, Georgia's basic financial statements and have issued our report thereon dated December 28, 2009. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Albany, Georgia's internal control over financial reporting as a basis for designing our auditing procedures 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 of Albany, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Albany, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Albany, Georgia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Albany, Georgia's financial statements that is more than inconsequential will not be prevented or detected by the City of Albany, Georgia's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2009-1 through 2009-5 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Albany, Georgia's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we considered item 2009-5 to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Albany, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance

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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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain additional matters that we reported to management of the City of Albany, Georgia in a separate letter dated December 28, 2009.

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. We did not audit the City of Albany, Georgia's responses and accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Mayor, members of the City Commission, management of the City and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 28, 2009

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the City of Albany, Georgia with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Albany, Georgia's management. Our responsibility is to express an opinion on the City of Albany, Georgia's compliance based on our audit.

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 *Governmental 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. Our audit does not provide a legal determination of the City of Albany, Georgia's compliance with those requirements.

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In our opinion, the City of Albany, Georgia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, 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 2009-6.

#### Internal Control Over Compliance

The management of the City of Albany, Georgia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Albany, Georgia's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Albany, Georgia's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned cost as item 2009-6 to be significant deficiency.

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A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The City of Albany, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City of Albany, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Mayor, members of the City Commission, management of the City and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 28, 2009

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures
<b>U.S. Department of Transportation</b>			
<b>Direct Awards</b>			
Federal Transit Capital Investment Grant	20.500	PL-0008-00(781)	\$ 130,007
Federal Transit Capital Investment Grant	20.500	MTG00-0140-00-001	266,493
Federal Transit Capital Investment Grant	20.500	MTG00-0129-00-001	32,000
Federal Transit Capital Investment Grant	20.500	MTG00-0142-00-001	120,023
Federal Transit Capital Investment Grant	20.500	MTG00-0145-00-001	1,200
Federal Transit Capital Investment Grant	20.500	MTG00-0146-00-004	43,279
Federal Transit Operations Assistance Grant	20.507	MTG00-0142-00-006	815,361
Total U.S. Department of Transportation			<u>1,408,363</u>
<b>Federal Aviation Administration</b>			
<b>Direct Awards</b>			
Airport Improvement Program	20.106	P3-13-0002-27	53,225
Airport Improvement Program	20.106	P3-13-0002-28	1,332,137
Airport Improvement Program	20.106	P3-13-0002-29	666,417
Airport Improvement Program	20.106	P3-13-0002-30	132,176
Total Federal Aviation Administration			<u>2,183,955</u>
<b>U.S. Department of Housing and Urban Development</b>			
<b>Direct Awards</b>			
Community Development Block Grant	14.218	B-06-MC-13-0001	27,647
Community Development Block Grant	14.218	B-07-MC-13-0001	825,363
			<u>853,010</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>			
<b>Direct Awards (Continued)</b>			
HUD-Home Partnership Investment Title II Program	14.239	M-08-MC-13-0205	\$ 81,861
HUD-Home Partnership Investment Title II Program	14.239	M-07-MC-13-0205	15,015
HUD-Home Partnership Investment Title II Program	14.239	M-04-MC-13-0205	123,618
HUD-Home Partnership Investment Title II Program	14.239	M-01-MC-13-0205	48,313
			<u>268,807</u>
 Housing Counseling Grant	 14.169	 HC07-0498-062	 8,035
Housing Counseling Grant	14.169	HC08-0498-078	29,296
			<u>37,331</u>
 EDI - Special Project Grant	 14.246	 B-04-SP-GA-0196	 <u>5,899</u>
<b>Passed through State of Georgia</b>			
Supportive Housing Program	14.235	2008-08E-ET-08C096	23,633
Supportive Housing Program	14.235	GA0054B4B010801	26,132
Supportive Housing Program	14.235	GA01B601027	62,396
			<u>112,161</u>
 Total U.S. Department of Housing and Urban Development			 <u>1,277,208</u>

(Continued)



# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
<b>Direct Awards</b>			
School Lunch Bag Program	10.559	S07-08002	\$ 81,395
Total U.S. Department of Agriculture			<u>81,395</u>
<b>U.S. Department of Justice</b>			
<b>Passed-Through State of Georgia</b>			
Bullet Proof Vest Grant	16.607	2003-BU-BX-6439	<u>8,564</u>
Local Law Enforcement Block Grant	16.592	2006-DJ-BX-0619	2,948
Local Law Enforcement Block Grant	16.592	2007-DJ-BX-0808	15,677
Local Law Enforcement Block Grant	16.592	20087-DJ-BX-0272	<u>4,585</u>
			<u>23,210</u>
Total U.S. Department of Justice			<u>31,774</u>
<b>U.S. Department of Commerce</b>			
<b>Passed-Through State of Georgia</b>			
Revolving Loan Fund	11.307	04-19-69032	<u>964,914</u>
Total U.S. Department of Commerce			<u>964,914</u>
<b>Corporation for Nation and Community Service</b>			
<b>Passed-Through State of Georgia</b>			
AmeriCorps	94.006	08AC089949	<u>76,865</u>
Total U.S. Department of Commerce			<u>76,865</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 6,024,474</u>

See Notes to Schedule of Expenditures of Federal Awards

## CITY OF ALBANY, GEORGIA

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

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#### NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Albany, Georgia (the "City") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations". Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

#### NOTE 2. SUBRECIPIENTS

During the fiscal year ended June 30, 2009, disbursements were made to sub-recipients of the following grant programs:

Program	CFDA	Amount
Community Development Block Grant	14.218	\$ 146,724
HUD-Home Partnership Investment Title II Program	14.239	103,109
EDI Special Project Grant	14.246	5,899
		<u>\$ 255,732</u>

## CITY OF ALBANY, GEORGIA

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

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#### SECTION I SUMMARY OF AUDIT RESULTS

##### **Financial Statements**

Type of auditor's report issued

Unqualified

Internal control over financial reporting:

Material weaknesses identified?

☐ yes ☒ no

Significant deficiencies identified not considered  
to be material weaknesses?

☒ yes ☐ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

##### **Federal Awards**

Internal Control over major programs:

Material weaknesses identified?

☐ yes ☒ no

Significant deficiencies identified not considered  
to be material weaknesses?

☐ yes ☒ none reported

Type of auditor's report issued on compliance for  
major programs

Unqualified

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

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### SECTION I SUMMARY OF AUDIT 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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program
14.239	HUD - Home Partnership Investment Title II Program
11.307	Economic Development Revolving Loan Program

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 YEAR ENDED JUNE 30, 2009

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#### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

##### **2009 - 1. 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, 2009 as it relates to accounts payable within the General Fund, SPLOST Fund and the Non-Major Funds.

Context: We addressed this matter with City officials and they were able to determine the amount of accounts payable that should be recorded in these funds as of June 30, 2009.

Effect: An adjustment to increase accounts payable by \$1,645 and increase expenditures in the same amount was required to be made in the General Fund. An adjustment to increase accounts payable by \$17,534 and increase expenditures in the same amount was required to be made in the SPLOST Fund. An adjustment to decrease accounts payable by \$78,091 and decrease expenditures in the same amount was required to be made in the Non-Major Funds.

Cause: Reconciliations of accounts payable and accrued expenses are not being performed on a monthly basis.

Recommendation: We recommend the City implement procedures to reconcile all accounts payable subsidiary ledgers to the general ledger on a monthly basis.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to reconcile subsidiary ledgers with the general ledger on a monthly basis.

## CITY OF ALBANY, GEORGIA

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

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#### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

##### 2009 - 2. Management of Accounts Receivable Accounts

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 amounts due from component units in the General Fund, amounts due from other governments in the Community Development Fund, fees receivable in the Solid Waste Fund, or accounts receivable in the Non-Major Funds as of June 30, 2009.

Context: See above condition.

Effect: An adjustment to increase due from component units in the amount of \$2,839 and increase revenues in the same amount was required to be recorded in the General Fund. An adjustment to decrease due from other governments in the amount of \$510 and decrease revenues in the same amount was required to be recorded in the Community Development Fund. An adjustment to increase fees receivable in the amount of \$18 and increase revenues in the same amount was required to be recorded in the Solid Waste Fund. An adjustment to increase accounts receivable in the amount of \$198,800, increase deferred revenue in the amount of \$54,764, and increase revenue in the amount of \$144,036 was 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 YEAR ENDED JUNE 30, 2009

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#### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

##### 2009 - 3. Debt Transactions

Criteria: Proprietary funds use the economic resources measurement focus, which requires those funds to report all assets and liabilities, including long-term debt. As part of that reporting process, the City should record the issuance of debt and debt related items in the statement of net assets for all proprietary funds, and should amortize bond premiums, discounts, and related bond costs over the life of the debt.

Condition: The City did not properly record the amortization of the bond premium associated with the Series 2007 bonds in the Sanitary Sewer Fund.

Context: See above condition.

Effect: An adjustment to reduce the unamortized balance of bond premiums in the amount \$84,678 and to increase amortization expense in the same amount was required to be recorded in the Sanitary Sewer Fund.

Cause: See above condition.

Recommendation: We recommend the City record amortization of all bond premiums, discounts, and related bond costs appropriately as they occur during the year.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will record amortization of all bond premiums, discounts, and related bond costs appropriately as they occur during the year.

## CITY OF ALBANY, GEORGIA

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

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#### **2009 - 4. Segregation of Duties – ADICA (Blended Component Unit)**

Criteria: Internal controls should be in place, which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition/Context/Cause: Due to the lack of sufficient qualified staff, appropriate segregation of duties does not exist between recording, distribution, and reconciliation of cash accounts and other operational functions of ADICA.

Effect: Failure to properly segregate duties between recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Recommendation: The Authority should work to properly segregate duties among ADICA staff, as well as implement procedures whereby an appropriate level of review is performed when overlapping duties exist.

Views of Responsible Officials and Planned Corrective Action: We concur with the recommendation. We will work to properly segregate duties where possible and implement a review process for transactions.

#### **2009 - 5. Management of Due to / from (Internal) Accounts**

Criteria: 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" (the current portion of interfund loans) or "advances to/from other funds" (the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". As part of that process, the City should review the amounts that should be included in "due to/from other funds" and "advances to/from other funds" to determine the proper amounts to be reported and to determine the existence of intent and ability of each fund to repay.

Condition: We noted the City did not properly report the due to/from other funds accounts in the General Fund and Non-Major Funds.



## CITY OF ALBANY, GEORGIA

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

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#### 2009 - 5. Management of Due to / from (Internal) Accounts

Context: See above condition.

Effect: An adjustment to decrease due to other funds in the amount of \$495,819 and increase transfers in by the same amount was required to be recorded in the Non-Major Funds. An adjustment to decrease due from other funds and increase transfers out for the same amount was recorded in the General Fund.

Cause: All "due to/from" activity between funds was not being properly reviewed, evaluated and recorded at the end of the fiscal year.

Recommendation: We recommend the City implement procedures to properly record, reconcile, review and evaluate all "due to/from" and "advance to/from" activity on a monthly basis.

Views of Responsible Officials and Planned Corrective Action: We concur. We will work to record and reconcile and evaluate all due to/from and advance to/from transactions at the end of each financial reporting cycle.

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

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### SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

#### **2009 - 6. Failure to Maintain the Minimum File Requirements**

Federal Program Information: CFDA No. 10.307  
Economic Development Authority Revolving Loan Program  
U.S. Department of Commerce  
Fiscal Year 2009

Criteria: The Economic Development Administration, authorized by PWEDA, as amended by the Economic Development Administration Reauthorization Act of 2004 (Pub. L. No. 108-373), requires that prior to the disbursement of any EDA funds, the RLF recipient must certify that standard RLF loan documents necessary or advisable for lending are in place and that these documents have been reviewed by its legal counsel for adequacy and compliance with the terms and conditions of the grant and applicable State and local law. The standard loan documents include, at a minimum, the (1) loan application, (2) loan agreement, (3) board of directors' meeting minutes approving the RLF loan, (4) promissory note, (5) security agreement(s), (6) deed of trust or mortgage (if applicable), (7) agreement of prior lien holder (if applicable), and (8) signed bank turn-down letter demonstrating that credit is not otherwise available on terms and conditions that permit the completion or successful operation of the activity to be financed.

Condition: For the year ended June 30, 2009, loan files did not meet the minimum file requirement as it relates to Board of Directors' meeting minutes approval of the RLF loan for five (5) of the loans.

Context: See above condition.

Effect: Because the loan files do not contain the proper approval for the loans, the City is not in compliance with the requirement.

## CITY OF ALBANY, GEORGIA

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

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

##### 2009 - 6. Failure to Maintain the Minimum File Requirements (Continued)

Cause: Loan files were not being reviewed to verify that all minimum loan file requirements were being met; thus, loan files were not complete.

Recommendation: We recommend the City periodically review all loan files related to the EDA Revolving Loan Program to verify that all required documentation is contained in the files.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish policies and procedures to review all loan files to verify that the minimum loan file requirements are followed.

## CITY OF ALBANY, GEORGIA

### SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2009

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#### **2008 - 1. Management of Due to / from (Internal) Accounts**

Criteria: Generally accepted accounting principles require reporting of interfund activity expected to be repaid within a reasonable time as due to/from (interfund receivables and payables) accounts. As part of that process, the City should review the amounts that should be included in due to/from accounts in each fund to determine the proper amounts to be reported at any given time during the fiscal year.

Condition: We noted the City did not properly report the due to/from other funds accounts in the General Fund, Public Employee Fund, SPLOST Fund and Sanitary Sewer Fund.

Status: This item was not corrected for the fiscal year ending June 30, 2009. This is a repeat finding as indicated in the current year Schedule of Findings and Questioned Costs as item 2009-5.

#### **2008 - 2. Management of Accounts Receivable Accounts**

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 amounts due from component units in the General Fund, amounts due from other governments and due from component units in the Public Employee Deposit Fund, or assessments receivable in the Sanitary Sewer Fund, as of June 30, 2008.

Status: This item was not corrected for the fiscal year ending June 30, 2009. This is a repeat finding as indicated in the current year Schedule of Findings and Questioned Costs as item 2009-2.

# CITY OF ALBANY, GEORGIA

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2009

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### **2008 - 3. Management of Capital Asset Accounts**

Criteria: Governmental (general) capital assets are recorded as expenditures in the governmental funds and capitalized at cost in the government-wide statement of net assets. Additionally, generally accepted accounting principles require the reporting of all capital assets at their historical cost, which is written off periodically, or depreciated, in a systematic and rational manner. Assets donated by outside parties should also be reported, but at the estimated fair value on the date of the donation.

Condition: The City did not properly account for capital asset activity in the Public Improvement Fund, properly capitalize capital assets and record depreciation in the Sanitary Sewer Fund, or record contributed capital assets in the Sanitary Sewer Fund and Transit Fund during the year ended June 30, 2008.

Status: This finding was corrected during the fiscal year ended June 30, 2009.

### **2008 - 4. Fund Balance**

Criteria: Internal controls should be in place to ensure that any prior year audit adjustments are posted and fund balance reconciled to the prior year's financial statements.

Condition: For the fiscal year ending June 30, 2008, the City did not reconcile fund balance of the Public Improvement Fund to the prior year's financial statements.

Status: This finding was corrected during the fiscal year ended June 30, 2009.

**CITY OF ALBANY, GEORGIA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**2008 - 5. Recording Investment Activity**

Criteria: Significant balances and transactions in any operation should be recorded, reconciled, reviewed and adjusted on a monthly basis. Specifically, investment transactions warrant this exercise monthly, inclusive of reviewing and reconciling the monthly statements, trial balances and other supporting documentation provided by external parties.

Condition: We noted the City did not record interest activity in the General Fund, Public Improvement Fund, or SPLOST Fund during the fiscal year ended June 30, 2008.

Status: This finding was corrected during the fiscal year ended June 30, 2009.

**2008 - 6. Taxes Receivable**

Criteria: Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period.

Condition: The City did not properly record year end property taxes receivable and related accounts in the General Fund as of June 30, 2008.

Status: This finding was corrected during the fiscal year ended June 30, 2009.

**2008 - 7. Debt Transactions**

Criteria: Proprietary funds use the economic resources measurement focus, which requires those funds to report all assets and liabilities, including long-term debt. As part of that reporting process, the City should record the issuance of debt and debt related items in the statement of net assets for all proprietary funds, and should amortize bond costs over the life of the debt.

**CITY OF ALBANY, GEORGIA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**2008 - 7. Debt Transactions (Continued)**

Condition: The City did not properly record the amortization of deferred bond costs in the Sanitary Sewer Fund.

Status: This item was not corrected for the fiscal year ending June 30, 2009. This is a repeat finding as indicated in the current year Schedule of Findings and Questioned Costs as item 2009-3.

**2008 - 8. Undercollateralization of City Deposits**

Criteria: The Official Code of Georgia (OCGA) Section 45-8-12 (c) requires all depositories of public funds to pledge securities of not less than 110% of the deposited public funds.

Condition: For the year ended June 30, 2008, the City's deposits held at one financial institution were under collateralized.

Status: This finding was corrected during the fiscal year ended June 30, 2009.

**2008 - 9. Blended Component Unit Budget - ADICA**

Criteria: House Bill 1364 of the 1998 session of the Georgia General Assembly requires an annual balanced budget for the general fund, each special revenue fund and each debt service fund and requires a project length balanced budget for each capital projects fund.

Condition: For the year ended June 30, 2008, no budget was adopted for the ADICA Special Revenue Fund. A budget should be adopted for this fund in accordance with the Official Code of Georgia (OCGA) Sections 36-81-2 through 36-81-6.

Status: This finding was corrected during the fiscal year ended June 30, 2009.

## CITY OF ALBANY, GEORGIA

### SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2009

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#### **2008 - 10. Failure to Complete Repairs in a Timely Manner**

Federal Program Information: CFDA No. 14.239  
HUD – Home Partnership Investment Title II Program  
U.S. Department of Housing and Urban Development  
Fiscal Year 2008

Criteria: The HOME Investment Partnership Program established by Title II of the Cranston-Gonzalez National Affordable Housing Act (42 USC 12701-12839 and 3535(d)), requires that any repairs identified during the non-Federal entity's inspection of a property be completed in a timely manner.

Condition: For the year ended June 30, 2008, the need for repairs was identified during the inspection process for eight (8) properties. These repairs were not completed in a timely manner for four (4) of these properties.

Status: This finding was corrected during the fiscal year ended June 30, 2009.

Criteria: The HOME Investment Partnership Program established by Title II of the Cranston-Gonzalez National Affordable Housing Act (42 USC 12701-12839 and 3535(d)), requires that the rent being charged to a family not exceed 30% of the family's annual adjusted gross income.



**CITY OF ALBANY, GEORGIA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**2008 - 11. Eligibility for Individuals**

Federal Program Information: CFDA No. 14.239  
HUD – Home Partnership Investment Title II Program  
U.S. Department of Housing and Urban Development  
Fiscal Year 2008

Condition: For the year ended June 30, 2008, we noted one (1) instance in which a family was being charged rent greater than the 30% limitation.

Status: This finding was corrected during the fiscal year ended June 30, 2009.



## INDEPENDENT ACCOUNTANT'S REPORT ON LOCAL ASSISTANCE GRANTS

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

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Form about the City of Albany, Georgia's compliance during the fiscal year ended June 30, 2009, with the requirement to use grant proceeds solely for the purpose or purposes for which the grant was made for Local Assistance Grant #03-C-L-106. Management is responsible for the City of Albany, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about the City of Albany, Georgia's compliance based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the City of Albany, Georgia's compliance with the above mentioned requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City of Albany, Georgia's compliance with the specified requirement.

In our opinion, management's assertion that the City of Albany, Georgia complied with the aforementioned requirement for the fiscal year ended June 30, 2009, is fairly stated, in all material respects.

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This report is intended solely for the information and use of the Mayor, members of the City Commission, management of the City, and the Georgia Department of Audits and Accounts, and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 28, 2009

## STATE OF GEORGIA GRANT CERTIFICATION FORM

A	Local Government	City of Albany
B	Information for Year Ended	June 30, 2008
C	State Awarding Agency	Georgia Dept. of Community Affairs
D	Grant Identification Number	03-C-L-106
E	Grant Title	Slater King Adult Day Care Center - Local Assistance Grant
F	Grant Award Date	July 1, 2002
G	Grant Amount	\$20,000
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	\$20,000
I	Grant Receipts or Revenue Recognized	\$ - 0 -
J	Grant Disbursements or Expenditures	\$ - 0 -
K	Balance - Current Year (Cash or Accrued or Deferred Revenue) (Line H + Line I - Line J)	\$20,000

### Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made. I understand that failure to comply with the provisions of the law applicable to this grant award shall result in a forfeiture of such grant and the return to the state of any such grant funds received.

Signature of Chief Elected Official \_\_\_\_\_ Date \_\_\_\_\_

Signature of Chief Financial Officer \_\_\_\_\_ Date \_\_\_\_\_

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