

CITY OF ALBANY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by:

Derrick L. Brown
Finance Director

CITY OF ALBANY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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INTRODUCTORY SECTION

City of Albany

Post Office Box 447

Albany, Georgia

31702-0447

December 30, 2016

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, 2016. 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, 2016. The independent auditor's report is located at the beginning of the financial section of this report.

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

PROFILE OF GOVERNMENT

Situated in the Plantation Trace region, Albany is the primary trade center for Southwest Georgia. It is the county seat for Dougherty County, Georgia. Incorporated in 1853, the city lies at the head of the Flint River, 182 miles south of Atlanta and 95 miles north of Tallahassee, Florida. The city was laid out in 1836 by Alexander Shotwell and named for Albany, New York. The City of Albany and Dougherty County enjoy a good working relationship. As of the 2015 Census, the population of Albany was estimated at 74,843.¹

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

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

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

¹Source: Census Bureau (www.census.gov)

ECONOMIC CONDITION AND OUTLOOK

The City of Albany serves as the distribution, retail and wholesale trade, communication, and medical center for southwest Georgia, a seven county area. The City of Albany is served by 14 public elementary schools, 9 public secondary schools, 1 public alternative school, and a number of private schools². The City also offers a range of post-secondary education and adult-learning opportunities:

1. Albany State University, one of the city's three hometown colleges, is a senior unit of the University System of Georgia. With more than 40 major fields of study, the university offers undergraduate and graduate degree programs, maintaining flexible scheduling for the growing number of non-traditional students².
2. Darton College, also rooted in the city, is a two-year unit of the University System of Georgia. Students can pursue over 70 transfer and career associate degrees. Darton also offers weekend, evening, and distance-learning courses for the flexibility of pursuing higher education².
3. Albany Technical College is a unit of the Georgia Department of Technical and Adult Education. The college provides technical education and training support for the workforce development needs of Southwest Georgia².
4. Turner Job Corps Center serves the Albany area as a fully accredited Vocational Education Institute, providing 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 over 900-member student body may choose².
5. Troy University, with its satellite campus, offers 37 majors grouped into 20 general fields of study. The University is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award a range of undergraduate and graduate degrees².

As the economy improves nationally, there have been some small signs of economic movement in Albany. The City is aggressively pursuing new revenue sources in the area of Gas and Telecommunications. We have been able to maintain operations without layoffs, furloughs, or reduction of services. The City continues to strive to be fiscally responsible and reduce expenditures wherever possible. Across the organization, budgets have been tightened and each staffing decision is carefully reviewed.

Like many other cities across the nation, Albany continues to work toward identifying and implementing innovative ways to rebuild and restore the community's economic condition. In an effort to inspire economic growth, the City of Albany has developed an attractive initiative program to promote the growth of new businesses in the area. The City's Long Term Financial Planning Committee (LTFPC) and the Albany-Dougherty Economic Development Commission (EDC) work closely together to implement this program. In conjunction with this program, a Revolving Loan Fund has been established to further encourage growth.

²Source: Albany Chamber of Commerce (www.albanyga.com)

FIVE-YEAR STRATEGIC AND FINANCIAL PLAN

The City of Albany has committed itself to continually improving the efficiency and effectiveness of the organization. Strategic Planning includes developing a vision and mission, identifying the organization's external opportunities and threats, determining internal strengths and weaknesses, establishing both long-term and annual objectives, and choosing particular strategies to pursue. This phase of strategic management is accomplished through the development of a strategic plan. In fiscal year 2016, the City adopted the following vision and mission statements:

Vision Statement

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

Mission Statement

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

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

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

One of the practices that has continued from the most recent strategic plan is staff performance measurement. The City Manager, as well as senior management, believes that every employee should know how their employer rates their performance. The City also affirms that every employee should make a positive contribution to the organization. Each staff member's performance is documented and monitored on a routine basis. Performance evaluations are conducted for every City staff member at least once a year. During fiscal year 2017, the City is scheduled to finalize its updated five-year strategic plan.

Special Purpose Local Option Sales Tax V - The City of Albany and Dougherty County entered into an intergovernmental sales tax agreement, and in November 2004, voters approved the referendum to continue the 1% Special Purpose Local Option Sales Tax (SPLOST). The amount to be collected from the sales and use tax between April 1, 2005 and March 31, 2011 was estimated to be \$108 million. Sixty-two percent, or \$65.87 million, of those funds was allocated for City administered projects and non-profit organizations. The City of Albany projects funded through SPLOST V included: \$5.5 million Civic Center debt retirement, \$2.56 million Civic Center infrastructure improvements, \$1.7 million Airport improvement, \$6.8 million upgrade to the 800 MHz radio and tower, \$6.81 million for road improvements, \$4.65 million Public Safety equipment and training facility, \$3.14 million for the Recreation Master Plan and facility renovations, \$1.75 million traffic improvements and GIS aerial photography, and disparity study for \$350,000. Also included are projects for community organizations and other capital purchases and improvements: \$2 million to the Chehaw Wild Animal Park Authority, \$3.9 million for the Thronateeska Heritage Center improvements, \$4.0 million

to the Albany Civil Rights Museum, and \$8.65 million for Riverfront Park. Most projects for this SPLOST series are complete. Therefore, spending should decrease until the end of this SPLOST series.

Special Purpose Local Option Sales Tax VI - The City of Albany and Dougherty County entered into an intergovernmental sales tax agreement, and in November 2010, voters approved the referendum to continue the 1% Special Purpose Local Option Sales Tax (SPLOST). The amount to be collected from the sales and use tax between April 1, 2011 and March 31, 2017 is estimated to be \$98 million. Sixty-four percent, or \$62.72 million, of those funds is to be used for City administered projects and non-profit organizations. The City of Albany projects to be funded through SPLOST VI include: \$3.99 million Airport improvements, \$8.5 million Pump Station and Sewer improvements, \$8.5 million Street and Storm Water improvements, \$1 million Sidewalk replacements, \$3.68 million Alley Paving and improvements, \$11.9 million Public Safety equipment and upgrades, \$4.38 million Transit improvements, and \$3.75 million Recreational improvements. Also included are projects for community organizations and other capital purchases and improvements: \$1.75 million to the Chehaw Wild Animal Park Authority, \$2.1 million for the Thronateeska Heritage Center improvements, and \$3.3 million for the Senior Citizens Center. A complete list of the projects and further details regarding the program are available at www.albany.ga.us.

Total revenue generated for fiscal year 2016 for SPLOST programs was \$10.3 million with expenditures totaling \$7.0 million.

FINANCIAL INFORMATION

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

BUDGETARY CONTROL

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

CASH MANAGEMENT

Cash temporarily idle during the year was invested in interest-bearing demand deposits, certificates of deposits, and U.S. Government securities with the assistance of board-approved, certified investment advisors. All investments are collateralized as required by law. The Pension Fund assets are invested in common stocks, corporate bonds, and U.S. Government securities. The City's investments, exclusive of the Pension Fund investments, are classified in the

categories of lower credit risk as defined by the Governmental Accounting Standards Board and as required by the State of Georgia. All of the Pension Fund investments are held in the name of the City's agents for the beneficial ownership of the City of Albany's Pension Plan.

OTHER INFORMATION

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

INDEPENDENT AUDIT

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Albany, Georgia for its comprehensive annual financial reports for twenty-four consecutive fiscal years from 1991 to 2015. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

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

ACKNOWLEDGMENTS

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

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

Respectfully submitted,

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

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

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

Derrick L. Brown
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Albany
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Executive Director/CEO

CITY OF ALBANY, GEORGIA

PRINCIPAL OFFICIALS

JUNE 30, 2016

ELECTED

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

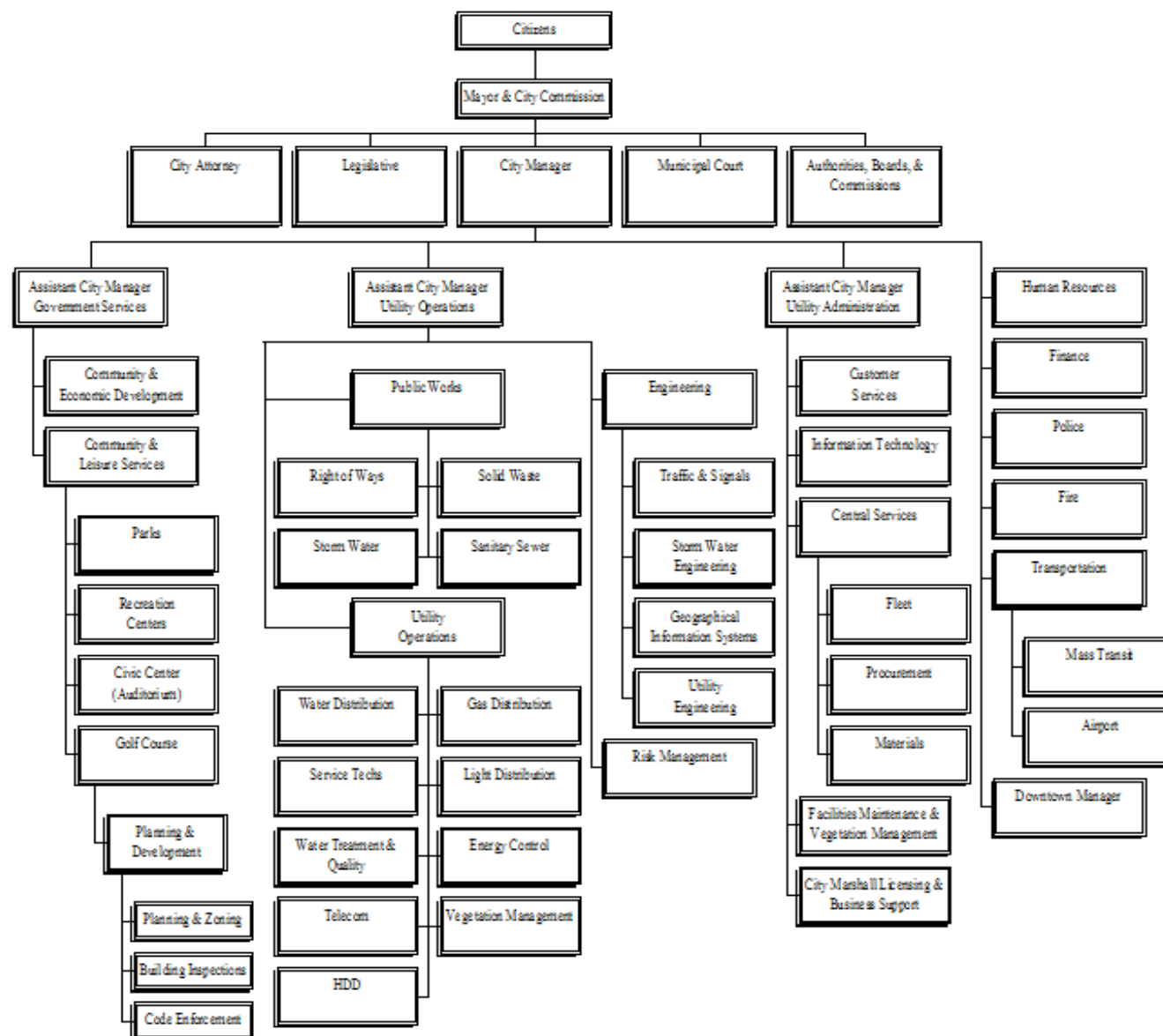
STAFF

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

CITY OF ALBANY, GEORGIA

ORGANIZATION CHART

JUNE 30, 2016



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Albany, Georgia** (the "City"), as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Albany, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Albany, Georgia as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, the Community Development Fund, and the Job Investment Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2016, on our consideration of the City of Albany, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Albany, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 30, 2016

CITY OF ALBANY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

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

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

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

FINANCIAL HIGHLIGHTS

Government wide Financial Statements

- ❑ At the close of the fiscal year, the assets/deferred outflows of resources of the City exceeded its liabilities/deferred inflows of resources by \$351,983,642. Of this amount, \$53,397,459 (15.2%) represents unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.
- ❑ At the close of the current fiscal year, the net position of the City's *business-type activities* was \$208,167,172. This represented an increase of \$10,924,915 (5.2%) over the prior year's net position for business-type activities.
- ❑ At the close of the current fiscal year, the net position of the City's *governmental activities* was \$143,816,470. This represented an increase of \$12,966,176 (9.0%) from the prior year's net position for governmental activities.

Fund Financial Statements

- ❑ The General Fund, the chief operating fund of the City, had a total fund balance of \$27,399,841 as of June 30, 2016. Of this amount, \$26,046,316 (95.1%) was unassigned.
- ❑ The General Fund had revenues of \$51,392,909 for the current fiscal year. Of this amount, \$16,039,822 (31.2%) was from property taxes, \$9,847,836 (19.2%) was from other taxes, and \$9,683,370 (18.8%) was from sales taxes.

Debt Obligations

- ❑ Long-term debt obligations from primary governmental activities increased \$3,470,528 (5.3%) from \$65,067,027 at June 30, 2015, to \$68,537,555 at June 30, 2016.
- ❑ Long-term debt obligations from business type activities decreased \$1,081,960 (2.2%), from \$48,959,920 at June 30, 2015, to \$47,877,960 at June 30, 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, culture and recreation, and community development. The business-type activities of the City include sanitary sewer, solid waste, transit, civic center, airport, storm water, telecommunication, water, gas and light.

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

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

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

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

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

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

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

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

The governmental funds financial statements can be found on pages 29 - 33 of this report.

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the 14th year that the City of Albany has presented its financial statements under the reporting model required by GASB Statement No. 34. This reporting model changed significantly both the recording and presentation of financial data. However, under this statement, the City is not required to restate prior periods for the purposes of providing comparative information. A comparative analysis of government-wide information for fiscal years ending June 30, 2015 and June 30, 2016, are included in the MD&A.

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets exceeded liabilities by \$351,983,642 as of June 30, 2016.

As shown on Table 1, the largest portion of the City's net position, \$257.6 million (73.2%), reflects its investment in capital assets less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities. An additional portion of the City's net position, \$41 million (11.6%), represents resources that are subject to external restrictions on how they may be used. The major restrictions on net position are funding source restrictions. The remaining balance of total net position of \$53.4 million (15.2%) 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, 2016, the City reported positive balances in all three categories of net assets, both for the City as a whole as well as for its separate governmental and business-type activities.

TABLE 1

CITY OF ALBANY
Statement of Net Position - Primary Government

	Governmental Activities		Business-Type Activities		Total	
	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015
Current and Other Assets	\$ 123,702,574	\$ 114,957,950	\$ 69,825,647	\$ 60,289,441	\$ 193,528,221	\$ 175,247,391
Capital Assets	95,144,946	93,538,390	196,196,793	199,357,899	291,341,739	292,896,289
TOTAL ASSETS	218,847,520	208,496,340	266,022,440	259,647,340	484,869,960	468,143,680
TOTAL DEFERRED OUTFLOWS	6,293,779	4,289,099	3,377,088	2,762,246	9,670,867	7,051,345
Current and Other Liabilities	17,019,443	16,837,468	19,946,728	19,500,535	36,966,171	36,338,003
Long Term Liabilities	60,354,396	57,118,724	41,168,146	42,615,057	101,522,542	99,733,781
TOTAL LIABILITIES	77,373,839	73,956,192	61,114,874	62,115,592	138,488,713	136,071,784
TOTAL DEFERRED INFLOWS	3,950,990	7,978,953	117,482	3,051,737	4,068,472	11,030,690
Net Investment in Capital Assets	83,974,584	71,425,125	173,637,702	172,427,764	257,612,286	243,852,889
Restricted	31,967,383	36,560,923	9,006,514	8,944,173	40,973,897	45,505,096
Unrestricted	27,874,503	22,864,246	25,522,956	15,870,320	53,397,459	38,734,566
TOTAL NET POSITION	\$ 143,816,470	\$ 130,850,294	\$ 208,167,172	\$ 197,242,257	\$ 351,983,642	\$ 328,092,551

In Table 1(a), the 2016 Statement of Net Position is compared to the results for the prior fiscal year. In Table 2(a), the 2015 and 2016 Statement of Activities for the primary government is compared. Revenues decreased by \$6.9 million from 2015 to 2016, the total expenses for the same period decreased by \$5.8 million.

TABLE 1 (a)

CITY OF ALBANY
Comparison of Net Position for Primary Government
Fiscal Years 2016 and 2015

	Total Primary Government FY 2016	Total Primary Government FY 2015	Increase (Decrease)
Current and Other Assets	\$ 193,528,221	\$ 175,247,391	\$ 18,280,830
Capital Assets	291,341,739	292,896,289	(1,554,550)
TOTAL ASSETS	484,869,960	468,143,680	16,726,280
TOTAL DEFERRED OUTFLOWS	9,670,867	7,051,345	2,619,522
Current and Other Liabilities	36,966,171	36,338,003	628,168
Long Term Liabilities	101,522,542	99,733,781	1,788,761
TOTAL LIABILITIES	138,488,713	136,071,784	2,416,929
TOTAL DEFERRED INFLOWS	4,068,472	11,030,690	(6,962,218)
Net Investment in Capital Assets	257,612,286	243,852,889	13,759,397
Restricted	40,973,897	45,505,096	(4,531,199)
Unrestricted	53,397,459	38,734,566	14,662,893
TOTAL NET POSITION	\$ 351,983,642	\$ 328,092,551	\$ 23,891,091

TABLE 2

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,542,703	\$ 6,445,015	\$ 167,614,716	\$ 174,625,184	\$ 174,157,419	\$ 181,070,199
Operating Grants and Contributions	12,658,215	11,377,521	1,239,904	1,049,408	13,898,119	12,426,929
Capital Grants and Contributions	12,356,837	12,565,452	1,989,102	3,673,081	14,345,939	16,238,533
General Revenues:						
Property taxes	16,315,586	16,875,088	-	-	16,315,586	16,875,088
Sales taxes	9,683,370	9,572,282	-	-	9,683,370	9,572,282
Other taxes	11,842,816	11,537,535	-	-	11,842,816	11,537,535
Investment income	1,331,409	770,805	401,121	118,782	1,732,530	889,587
Gain (loss) on sale or disposal of capital assets	-	215,122	52,237	122,251	52,237	337,373
TOTAL REVENUES	70,730,936	69,358,820	171,297,080	179,588,706	242,028,016	248,947,526
Expenses:						
General government	13,149,259	7,580,735	-	-	13,149,259	7,580,735
Judicial	1,142,848	1,114,238	-	-	1,142,848	1,114,238
Public safety	33,992,566	34,819,323	-	-	33,992,566	34,819,323
Public works	9,022,331	8,154,192	-	-	9,022,331	8,154,192
Parks and recreation	7,750,411	5,796,910	-	-	7,750,411	5,796,910
Community development	3,743,861	7,202,674	-	-	3,743,861	7,202,674
Community service	379,747	232,364	-	-	379,747	232,364
Interest on long-term debt	648,357	901,640	-	-	648,357	901,640
Sewer	-	-	12,094,253	12,268,460	12,094,253	12,268,460
Solid waste	-	-	8,908,087	8,946,091	8,908,087	8,946,091
Airport	-	-	3,494,862	2,966,447	3,494,862	2,966,447
Water	-	-	9,511,549	10,223,707	9,511,549	10,223,707
Gas	-	-	11,191,545	11,112,701	11,191,545	11,112,701
Light	-	-	88,893,351	96,684,785	88,893,351	96,684,785
Telecommunication	-	-	3,101,115	3,621,346	3,101,115	3,621,346
Transit	-	-	3,822,213	4,534,919	3,822,213	4,534,919
Storm water	-	-	5,477,062	5,470,230	5,477,062	5,470,230
Civic Center	-	-	1,813,508	2,308,789	1,813,508	2,308,789
TOTAL EXPENSES	69,829,380	65,802,076	148,307,545	158,137,475	218,136,925	223,939,551
Increase (Decrease) Before Transfers	901,556	3,556,744	22,989,535	21,451,231	23,891,091	25,007,975
Transfers	12,064,620	3,142,238	(12,064,620)	(3,142,238)	-	-
CHANGE IN NET POSITION	12,966,176	6,698,982	10,924,915	18,308,993	23,891,091	25,007,975
Net Position - Beg. Of Year	130,850,294	124,151,312	197,242,257	178,933,264	328,092,551	303,084,576
Net Position - End Of Year	\$ 143,816,470	\$ 130,850,294	\$ 208,167,172	\$ 197,242,257	\$ 351,983,642	\$ 328,092,551

TABLE 2 (a)

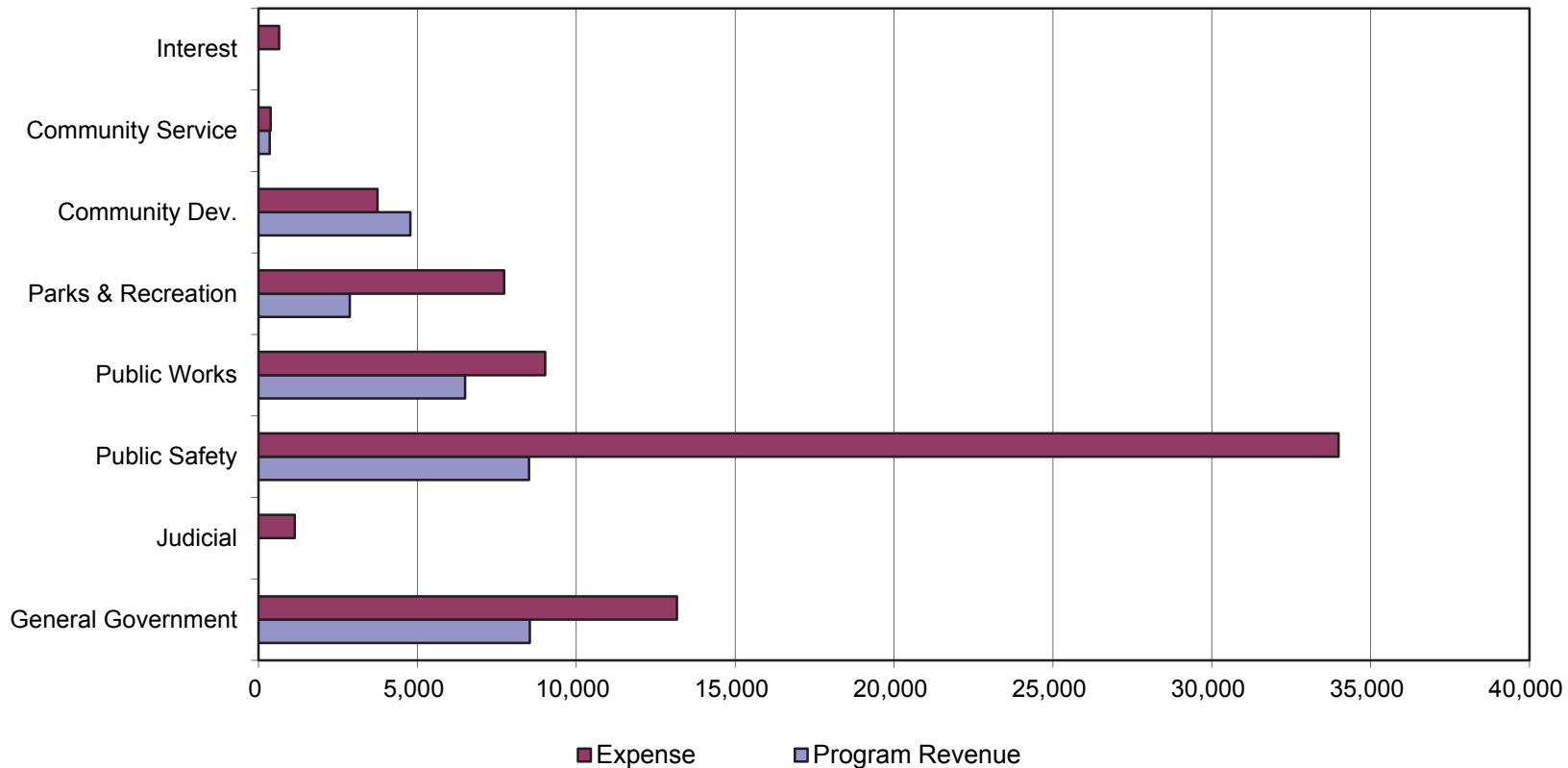
CITY OF ALBANY
Comparison of Statement of Activities for Primary Government
Fiscal Years 2016 and 2015

	Total Primary Government Activities - 2016	Total Primary Government Activities - 2015	Increase (Decrease)
Revenues:			
<u>Program Revenues:</u>			
Charges for Services	\$ 174,157,419	\$ 181,070,199	\$ (6,912,780)
Operating Grants and Contributions	13,898,119	12,426,929	1,471,190
Capital Grants and Contributions	14,345,939	16,238,533	(1,892,594)
<u>General Revenues:</u>			
Property taxes	16,315,586	16,875,088	(559,502)
Sales taxes	9,683,370	9,572,282	111,088
Other taxes	11,842,816	11,537,535	305,281
Investment income	1,732,530	889,587	842,943
Gain (loss) on sale or disposal of capital assets	52,237	337,373	(285,136)
TOTAL REVENUES	242,028,016	248,947,526	(6,919,510)
Expenses:			
General government	13,149,259	7,580,735	5,568,524
Judicial	1,142,848	1,114,238	28,610
Public safety	33,992,566	34,819,323	(826,757)
Public works	9,022,331	8,154,192	868,139
Parks and recreation	7,750,411	5,796,910	1,953,501
Community development	3,743,861	7,202,674	(3,458,813)
Community service	379,747	232,364	147,383
Interest on long-term debt	648,357	901,640	(253,283)
Sewer	12,094,253	12,268,460	(174,207)
Solid waste	8,908,087	8,946,091	(38,004)
Airport	3,494,862	2,966,447	528,415
Water	9,511,549	10,223,707	(712,158)
Gas	11,191,545	11,112,701	78,844
Light	88,893,351	96,684,785	(7,791,434)
Telecommunication	3,101,115	3,621,346	(520,231)
Transit	3,822,213	4,534,919	(712,706)
Storm water	5,477,062	5,470,230	6,832
Civic Center	1,813,508	2,308,789	(495,281)
TOTAL EXPENSES	218,136,925	223,939,551	(5,802,626)
CHANGE IN NET POSITION	\$ 23,891,091	\$ 25,007,975	\$ (1,116,884)

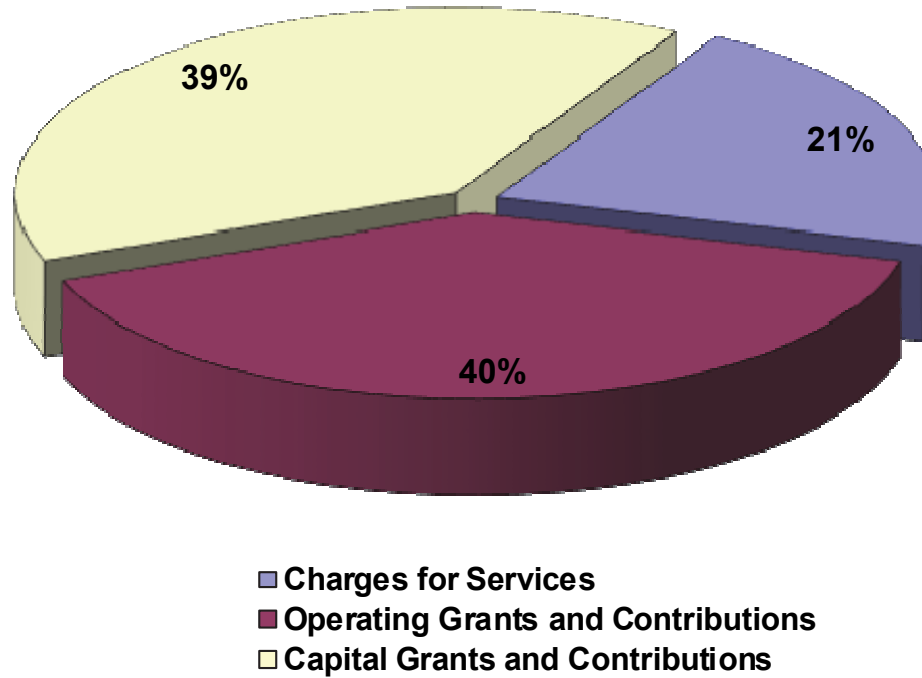
Governmental Activities

Governmental Activities increased the City of Albany's net position by \$12,966,176. Revenues from governmental activities totaled \$70,730,936 ; with operating grants (17.9%), capital grants and contributions (17.5%), property taxes (23.1%), other taxes (16.7%), sales taxes (13.7%), and charges for services (9.3%) contributing to the City's revenues. Expenses for governmental activities were \$69,829,380, of which 45.2% was supported from program revenues and 56.1% from general revenues. Expenses for Public Safety (48.7%), General Government (18.9%), and Public Works Admin & Streets (12.9%) altogether these categories make-up (80.5%) of the total expense for governmental activities.

Expenses and Program Revenues - Governmental Activities (in thousands)



Governmental Activities - Breakout of Program Revenue

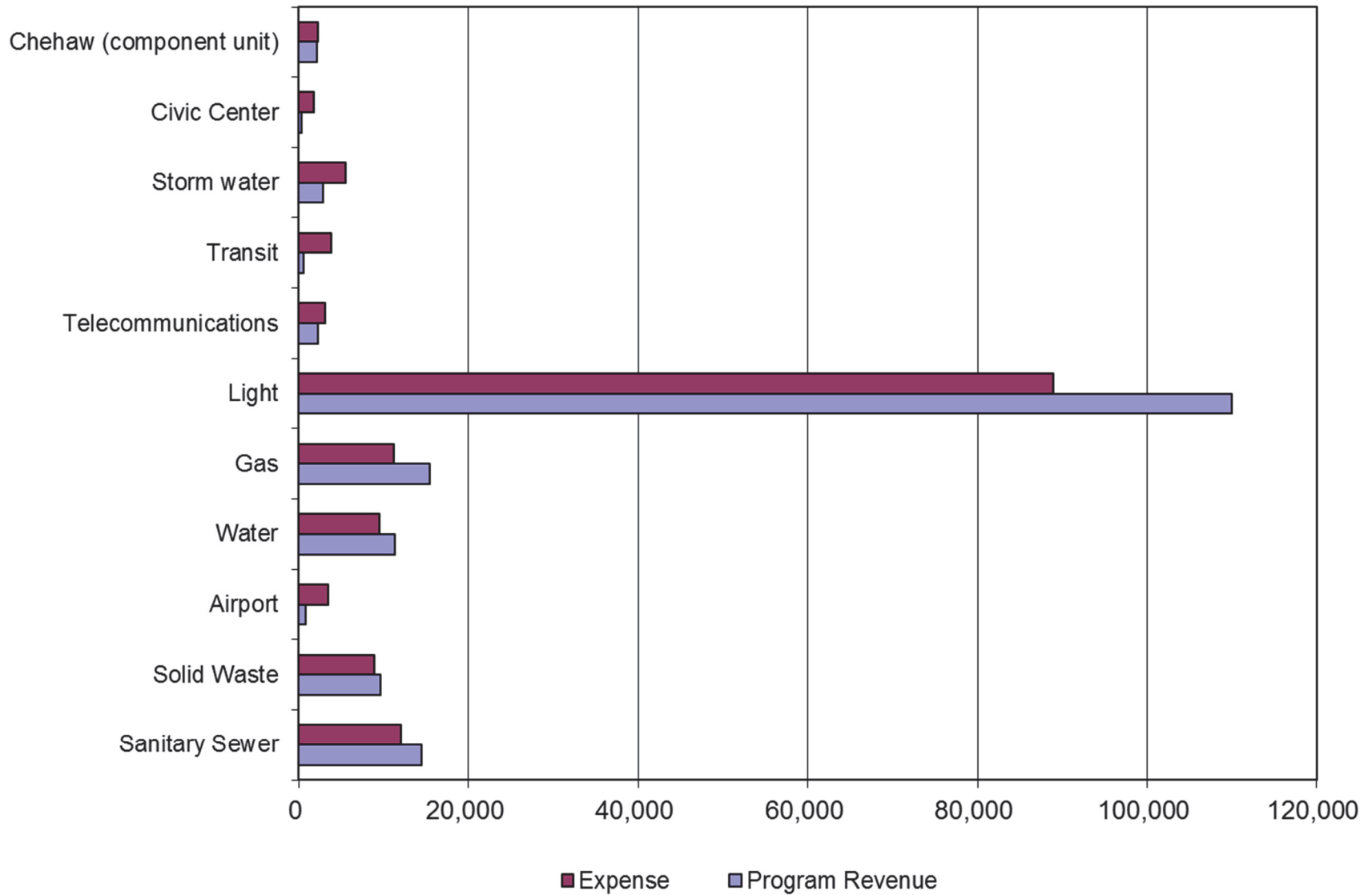


Business-type Activities

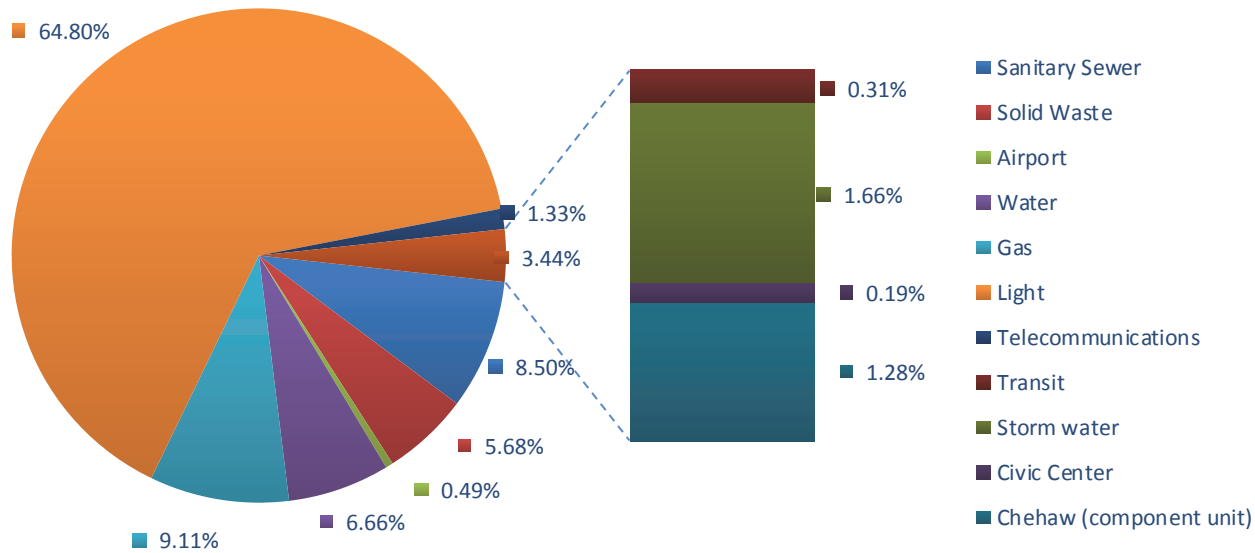
Business-type activities increased the City of Albany's net position by \$10,924,915. As of June 30, 2016, total business-type net position were \$208,167,172 of which \$173,637,702 was invested in capital assets; \$9,006,514 was restricted; and \$25,522,956 was unrestricted.

Revenues totaled \$171,297,080 with 98% of revenues coming from Program Revenues. (See chart "Business-Type Activities – Breakout by Revenues"). Total expenses were \$148,307,545. The largest expenses were Light (59.9%) and the next largest is Sanitary Sewer (8.2%).

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



Business Type Activity - Breakout by Revenues



FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

As of the end of the current fiscal year, the City of Albany's governmental funds reported combined ending fund balances of \$98,476,999 an increase of \$6,592,194 in comparison from the prior year. 26% (\$25,423,823) constituted unassigned fund balance, which is available for spending at the government's discretion. The remaining 74% of the fund balance (\$73,053,176) is divided as follows: \$418,534 is non-spendable due to being in a form such as, inventory or prepaid expenses; \$40,432,621 is legally restricted by an outside authority or a legal agreement, such as SPLOST or loans; and a combined total of \$32,202,021 is either assigned or committed for future use by the government.

The General Fund is the chief operating fund of the City. As of June 30, 2016, the *unassigned* fund balance in the General Fund was \$26,046,316; the total fund balance was \$27,399,841, an increase of \$5,919,965 compared to 2015.

The General Fund's liquidity can be measured by comparing both the *fund balance available for spending (committed, assigned, and unassigned)* and total fund balance to *total fund expenditures*. Available fund balance represents 49.3% of the total General Fund expenditures, while total fund balance represents 50.4% of that same amount. When *transfers out* are added to *expenditures*, the available fund balance represents 42.2% of expenditures plus transfers, while the total fund balance represents 43.1% of this amount.

The General Fund had the following transfers in (increases) and transfers out (decreases):

Transfers in From Other funds (\$18,010,564) represent transfers from the Hotel/Motel Tax Fund, Sewer Fund, Solid Waste, Water, Gas, Telecommunications, and Light Fund.

Funding for component units (\$972,000) 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.

Other transfers out (\$9,139,218) represent General Fund support of the following funds during the fiscal year: Transit Fund, Civic Center Fund, Airport, Public Improvement Fund, Grant Fund, CAD-911 Fund and R3M Fund.

During the fiscal year ended June 30, 2016, the City's General Fund balance increased by \$5,919,965. The following contributed to the change:

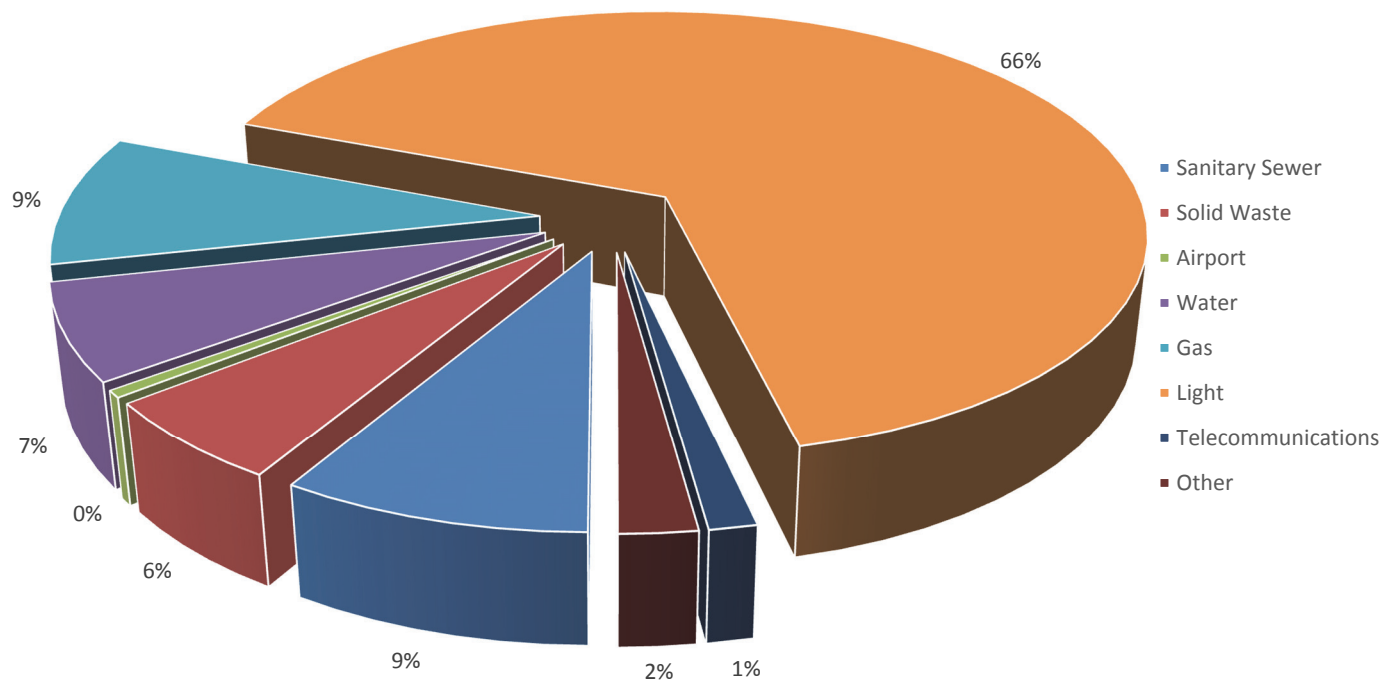
- ❑ Actual expenditures were \$9,566,542 under budgeted expenditures.
- ❑ In FY 2016, the City of Albany established a new internal service fund, the R3M Fund. \$2 million was transferred into that fund from the General Fund from current year budget savings.
- ❑ The General Fund transferred \$2 Million into the Capital Improvement Fund for the future repayment of capital needs.

During the fiscal year ended June 30, 2016, the City's Community Development and SPLOST Fund balances decreased by \$93,582 and \$2,784,978, respectively.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. For the fiscal year ended June 30, 2016, the proprietary funds had total operating revenues of \$167.6 million. Based on revenues, the largest proprietary fund is the Light Fund (66%) followed by the Sanitary Sewer Fund (9%). See chart below for an overview of revenue by proprietary fund.

Proprietary Funds - Analysis of Revenue by Fund



The change in net position for Proprietary Funds was \$10,924,915 representing a 5.5% increase from the prior year's adjusted net position balance of \$197,242,257. The net change was the result of the following:

	<u>Change in Net Position</u>
Sanitary Sewer Fund	\$ 1,153,487
Airport Fund	(1,215,160)
Water Fund	370,808
Light Fund	5,356,823
Storm Water Fund	(753,015)
Non-major Enterprise Funds	1,173,837
Internal Service Funds	6,499,764
Total Change in Net Position	<u>\$ 12,586,544</u>

The Light Fund received a large MEAG Refund during fiscal year 2016 in the amount of \$4 million. This refund is due to savings that the power supplier incurred throughout the year. This was not shown as a reduction in cost of goods sold, but instead was presented as unbudgeted revenue. In addition, the City of Albany has continued to prepare for not including the MEAG Credits as a part of the budgeted operations. The MEAG credit for the year that remained with the Light department is \$2.5 million. As mentioned previously, the R3M fund received a transfer at the end of fiscal year ending June 30, 2016 in the amount of \$2 million; this is presented as a part of the increase in net position in the chart above. Also, due to the year-end pension adjustment the Utility Internal Service Fund had a reduction in expenses of \$2.2 million. This occurred after costs were already spread to the individual utility departments (Solid Waste, Sewer, Storm Water, Water, Gas, Light, & Telecommunications). Although Airport had a decrease in net position, the loss did not exceed the depreciation expense or the budgeted amount of loss.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City was also fortunate enough to have a temporary revenue stream in the form of a MEAG credit. The difference between the budgeted revenues and expenditures equal the net effect of the transfers in and out between other funds. Because of the relatively flat economy, the City was conservative in estimating tax and license revenue. The City's revenues were 1% over the budgeted amount. The City's expenditures were 15% under budget. This was the result of the City aggressively monitoring costs and a fair amount of vacant positions that remained unfilled during the year.

TABLE 3

CITY OF ALBANY, GEORGIA
GENERAL FUND
Statement of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Revenues:				
Property taxes	\$ 15,600,701	\$ 15,600,701	\$ 16,039,822	\$ 439,121
Sales taxes	9,581,582	9,581,582	9,683,370	101,788
Other taxes	9,516,633	9,516,633	9,847,836	331,203
Licenses and permits	842,719	842,719	926,040	83,321
Intergovernmental	12,596,640	12,596,640	11,591,205	(1,005,435)
Charges for services	1,055,034	1,055,034	833,348	(221,686)
Fines and forfeitures	1,560,528	1,560,528	1,425,005	(135,523)
Interest income	90,459	90,459	500,186	409,727
Other	99,676	99,676	546,097	446,421
TOTAL REVENUES	\$ 50,943,972	\$ 50,943,972	\$ 51,392,909	\$ 448,937
Expenditures:				
General government	14,745,481	15,292,198	11,160,530	4,131,668
Judicial	1,281,551	1,225,876	1,144,699	81,177
Public safety	34,447,639	33,325,307	29,968,970	3,356,337
Public works	4,981,344	4,916,273	4,456,446	459,827
Parks and recreation	9,014,728	8,813,217	7,283,937	1,529,280
Community svc(Subsidized agencies)	387,000	387,000	378,747	8,253
TOTAL EXPENDITURES	\$ 64,857,743	\$ 63,959,871	\$ 54,393,329	\$ 9,566,542

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, 2016, amounts to \$291,341,739, (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment and vehicles, infrastructure, and construction in progress. Additional information on the City's capital assets can be found in Note 5 on pages 71 - 74 of this report.

TABLE 4

CITY OF ALBANY
Capital Assets (Net of Depreciation)
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
Capital assets not being depreciated:			
Land	\$ 16,016,871	\$ 14,270,368	\$ 30,287,239
Construction in Progress	4,793,827	7,615,879	12,409,706
Total assets not depreciated	<u>20,810,698</u>	<u>21,886,247</u>	<u>42,696,945</u>
Capital assets being depreciated:			
Buildings and improvements	75,667,962	142,446,920	218,114,882
Equipment and vehicles	25,577,982	57,147,980	82,725,962
Infrastructure	71,635,826	154,085,690	225,721,516
Total assets depreciated	<u>172,881,770</u>	<u>353,680,590</u>	<u>526,562,360</u>
Less accumulated depreciation:			
Buildings and improvements	26,789,020	68,357,146	95,146,166
Equipment and vehicles	16,666,393	40,633,738	57,300,131
Infrastructure	55,092,109	70,379,160	125,471,269
Total accumulated depreciation	<u>98,547,522</u>	<u>179,370,044</u>	<u>277,917,566</u>
Total assets depreciated, net	<u>74,334,248</u>	<u>174,310,546</u>	<u>248,644,794</u>
Capital assets, net	<u><u>\$ 95,144,946</u></u>	<u><u>\$ 196,196,793</u></u>	<u><u>\$ 291,341,739</u></u>

Long-term Debt. At the end of the current fiscal year, the City's total long-term debt outstanding is \$115.5 million which is an increase of \$1.4 million over the previous year. Of this amount, \$14.9 million is due within one year. Net Pension Liability (52.7%), Certificates of Participation (8.7%) and Revenue Bonds (19.4%) make up \$93.2 Million of the total. The remaining \$22.3 million is comprised of notes payable, general obligation bonds, OPEB liability, capital leases, and compensated absences. Additional information regarding the City's long-term debt can be found in Note 6 pages 75 - 90.

TABLE 5

CITY OF ALBANY
Long Term Debt Obligations
For the Fiscal Year Ended June 30, 2016

	Balance at June 30, 2016	Percentage of Total	Due Within One Year
<u>Governmental Activities</u>			
Bonds payable	\$ 7,119,973	6.1%	\$ 4,915,000
Notes payable	2,325,000	2.0%	300,000
Certificates of participation	10,000,000	8.6%	-
OPEB Liability	5,424,576	4.7%	-
Net pension liability	40,370,051	34.7%	-
Compensated absences	3,297,955	2.8%	2,968,159
Governmental long-term liabilities	<u>\$ 68,537,555</u>		<u>\$ 8,183,159</u>
<u>Business-Type Activities</u>			
Bonds Payable:			
Revenue bonds	\$ 22,355,000		\$ 4,635,000
Add deferred amounts Unamortized premium	46,656		-
Total bonds payable	22,401,656	19.2%	4,635,000
Notes payable	1,412,533	1.2%	-
Manufactured gas plant	1,298,865	1.1%	-
Net pension liability	20,457,060	17.6%	-
Compensated absences	2,307,846	2.0%	2,074,814
Business-Type long-term liabilities	<u>47,877,960</u>		<u>6,709,814</u>
Total primary government liabilities	<u><u>\$ 116,415,515</u></u>		<u><u>\$ 14,892,973</u></u>

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

Bond Ratings

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

	<u>Moody's</u>	<u>S&P</u>
General Obligation Bonds (SPLOST)	Aa3	-
Sewer Revenue Bonds	Aaa	AAA
ADICA Bonds	A-3	-
WG&L (Water Bonds)	A-3	-

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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

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

As a method of providing partial relief to the citizens in the City, the City of Albany has been able to balance the budget with an included rollback of the millage rate in 2015 and 2016. The City as a whole has been able to have substantial savings through the economies of scale with regards to the utilization of similar roles in the Utility departments. As the City moved forward into the fiscal year 2017 budget, certain steps were taken in the right direction with regards to establishing the Storm Water fund as a self-sustaining fund and the push towards additional efficiencies that will help the progression into the years when the MEAG credits are not available for additional revenue support.

These are all positive steps which will prepare the city to be ready for the loss of the temporary revenue stream in 2018; however, there is still more to do before 2018. These efforts are not yet enough to replace the estimated future decrease in revenues when the MEAG Credit ceases. The City continues to aggressively pursue a five year cost reduction plan in order to bridge the gap as well as explore the possibilities of new or increased revenue streams.

REQUEST FOR INFORMATION

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

CITY OF ALBANY, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Chehaw Park Authority
ASSETS				
Cash and cash equivalents	\$ 25,391,436	\$ 23,870,301	\$ 49,261,737	\$ 60,351
Investments	72,329,180	18,056,134	90,385,314	-
Taxes receivable	119,783	-	119,783	-
Accounts receivable, net of allowances	2,097,206	19,847,338	21,944,544	350
Notes receivable	10,148,000	-	10,148,000	-
Inventories	388,254	3,233,534	3,621,788	-
Internal balances	5,765,749	(5,765,749)	-	-
Due from other governments	3,635,534	1,577,575	5,213,109	-
Due from component unit	78,000	-	78,000	-
Prepaid expenses	30,280	-	30,280	-
Restricted assets:				
Investments	-	9,006,514	9,006,514	-
Fair value of interest rate swap agreement	3,719,152	-	3,719,152	-
Capital assets:				
Non-depreciable	20,810,698	21,886,247	42,696,945	2,535,686
Depreciable, net of accumulated depreciation	74,334,248	174,310,546	248,644,794	6,198,879
Total assets	<u>218,847,520</u>	<u>266,022,440</u>	<u>484,869,960</u>	<u>8,795,266</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	94,902	235,880	330,782	-
Differences between expected and actual experience of economic/demographic (gains)/losses	1,722,638	872,926	2,595,564	-
City contributions subsequent to the measurement date	4,476,239	2,268,282	6,744,521	-
Total deferred outflows of resources	<u>6,293,779</u>	<u>3,377,088</u>	<u>9,670,867</u>	<u>-</u>

CITY OF ALBANY, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Chehaw Park Authority
LIABILITIES				
Accounts payable	\$ 2,840,749	\$ 8,532,512	\$ 11,373,261	\$ 94,904
Retainage payable	285,529	157,435	442,964	-
Accrued expenses	2,526,924	815,336	3,342,260	35,950
Claims payable	2,578,100	-	2,578,100	-
Due to primary government	-	-	-	78,000
Due to other governments	301,022	-	301,022	-
Unearned revenues	303,960	1,222,724	1,526,684	-
Line of credit	-	-	-	64,687
Advance payments and customer deposits	-	23,259	23,259	17,849
Payable from restricted assets:				
Current maturities of long-term debt	-	4,635,000	4,635,000	-
Customer deposits	-	2,485,648	2,485,648	-
Certificates of participation, due in more than one year	10,000,000	-	10,000,000	-
Bonds payable, due within one year	4,915,000	-	4,915,000	-
Bonds payable, due in more than one year	2,204,973	17,766,656	19,971,629	-
Notes payable, due within one year	300,000	-	300,000	-
Notes payable, due in more than one year	2,025,000	1,412,533	3,437,533	-
Compensated absences payable, due within one year	2,968,159	2,074,814	5,042,973	-
Compensated absences payable, due in more than one year	329,796	233,032	562,828	-
Other long-term liabilities - manufactured gas plant	-	1,298,865	1,298,865	-
Other long-term liabilities - net pension liability	40,370,051	20,457,060	60,827,111	-
Other long-term liabilities - OPEB	5,424,576	-	5,424,576	-
Total liabilities	<u>77,373,839</u>	<u>61,114,874</u>	<u>138,488,713</u>	<u>291,390</u>

(Continued)

CITY OF ALBANY, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2016

	Primary Government			Component Unit
	Governmental	Business-type		Chehaw Park
	Activities	Activities	Total	Authority
DEFERRED INFLOWS OF RESOURCES				
Accumulated increase in fair value of hedging derivative	\$ 3,719,152	\$ -	\$ 3,719,152	\$ -
Net difference between projected and actual earnings on pension plan investments	231,838	117,482	349,320	-
Total deferred inflows of resources	<u>3,950,990</u>	<u>117,482</u>	<u>4,068,472</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	83,974,584	173,637,702	257,612,286	8,734,565
Restricted for:				
Federal programs	1,241,861	-	1,241,861	-
Public safety	142,319	-	142,319	-
Gortatowsky endowment	50,696	-	50,696	-
Capital projects	30,532,507	-	30,532,507	-
Debt service	-	9,006,514	9,006,514	-
Unrestricted (deficit)	<u>27,874,503</u>	<u>25,522,956</u>	<u>53,397,459</u>	<u>(230,689)</u>
Total net position	<u>\$ 143,816,470</u>	<u>\$ 208,167,172</u>	<u>\$ 351,983,642</u>	<u>\$ 8,503,876</u>

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

CITY OF ALBANY, GEORGIA

STATEMENT OF ACTIVITIES

JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit Chehaw Park Authority
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities:								
General government	\$ 13,149,259	\$ 1,192,066	\$ 7,217,048	\$ 128,032	\$ (4,612,113)	\$ -	\$ (4,612,113)	\$ -
Judicial	1,142,848	-	-	-	(1,142,848)	-	(1,142,848)	-
Public safety	33,992,566	3,130,513	4,141,819	1,242,394	(25,477,840)	-	(25,477,840)	-
Public works	9,022,331	710,838	346,133	5,442,962	(2,522,398)	-	(2,522,398)	-
Parks and recreation	7,750,411	114,769	180,700	2,576,591	(4,878,351)	-	(4,878,351)	-
Community development	3,743,861	1,394,517	757,973	2,628,739	1,037,368	-	1,037,368	-
Community service	379,747	-	14,542	338,119	(27,086)	-	(27,086)	-
Interest on long-term debt	648,357	-	-	-	(648,357)	-	(648,357)	-
Total governmental activities	69,829,380	6,542,703	12,658,215	12,356,837	(38,271,625)	-	(38,271,625)	-
Business-type Activities:								
Sanitary sewer	12,094,253	14,429,200	-	838,484	-	3,173,431	3,173,431	-
Solid waste	8,908,087	9,647,082	-	-	-	738,995	738,995	-
Airport	3,494,862	832,128	-	478,665	-	(2,184,069)	(2,184,069)	-
Water	9,511,549	11,313,068	-	-	-	1,801,519	1,801,519	-
Gas	11,191,545	15,463,910	-	-	-	4,272,365	4,272,365	-
Light	88,893,351	110,012,176	-	-	-	21,118,825	21,118,825	-
Telecommunication	3,101,115	2,254,568	-	-	-	(846,547)	(846,547)	-
Transit	3,822,213	522,454	1,239,904	671,953	-	(1,387,902)	(1,387,902)	-
Storm water	5,477,062	2,824,693	-	-	-	(2,652,369)	(2,652,369)	-
Civic Center	1,813,508	315,437	-	-	-	(1,498,071)	(1,498,071)	-
Total business-type activities	148,307,545	167,614,716	1,239,904	1,989,102	-	22,536,177	22,536,177	-
Total primary government	\$ 218,136,925	\$ 174,157,419	\$ 13,898,119	\$ 14,345,939	\$ (38,271,625)	\$ 22,536,177	\$ (15,735,448)	\$ -
Component Unit:								
Chehaw Park Authority	\$ 2,291,721	\$ 1,054,567	\$ 1,115,326	\$ -	\$ -	\$ -	\$ -	\$ (121,828)
Total component unit	\$ 2,291,721	\$ 1,054,567	\$ 1,115,326	\$ -	\$ -	\$ -	\$ -	\$ (121,828)
General revenues:								
Property taxes					\$ 16,315,586	\$ -	\$ 16,315,586	\$ -
Sales taxes					9,683,370	-	9,683,370	-
Franchise taxes					1,915,178	-	1,915,178	-
Business taxes					1,655,706	-	1,655,706	-
Insurance premium tax					4,461,781	-	4,461,781	-
Alcoholic beverage tax					1,339,383	-	1,339,383	-
Hotel/Motel tax					1,994,981	-	1,994,981	-
Other taxes					475,787	-	475,787	-
Investment income					1,331,409	401,121	1,732,530	2
Gain on sale of assets					-	52,237	52,237	-
Transfers					12,064,620	(12,064,620)	-	-
Total general revenues and transfers					51,237,801	(11,611,262)	39,626,539	2
Change in net position					12,966,176	10,924,915	23,891,091	(121,828)
Net position, beginning of year					130,850,294	197,242,257	328,092,551	8,625,702
Net position, end of year					\$ 143,816,470	\$ 208,167,172	\$ 351,983,642	\$ 8,503,876

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

CITY OF ALBANY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2016

	General Fund	Community Development Fund	Job Investment Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 12,025,545	\$ 2,195,900	\$ 46,028	\$ 6,369,773	\$ 1,113,873	\$ 21,751,119
Investments	7,765,257	-	19,965,047	22,900,513	16,685,712	67,316,529
Receivables, net of allowance:						
Taxes	116,111	-	-	-	3,672	119,783
Accounts	1,145,796	88,220	42,973	-	378,069	1,655,058
Notes	-	10,148,000	-	-	-	10,148,000
Due from other funds	12,472,658	-	1,469,000	-	364,653	14,306,311
Due from other governments	1,573,148	339,421	-	1,566,787	156,178	3,635,534
Due from component units	78,000	-	-	-	-	78,000
Inventories	388,254	-	-	-	-	388,254
Prepaid items	30,280	-	-	-	-	30,280
Advance to other funds	-	-	-	-	71,942	71,942
Total assets	<u>\$ 35,595,049</u>	<u>\$ 12,771,541</u>	<u>\$ 21,523,048</u>	<u>\$ 30,837,073</u>	<u>\$ 18,774,099</u>	<u>\$ 119,500,810</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 1,461,142	\$ 224,631	\$ -	\$ 473,512	\$ 150,752	\$ 2,310,037
Accrued liabilities	2,381,343	121,328	-	-	-	2,502,671
Retainage payable	-	-	-	285,529	-	285,529
Due to other funds	3,829,641	93,238	-	-	1,249,713	5,172,592
Due to other governments	279,330	21,692	-	-	-	301,022
Unearned revenues	243,752	10,148,000	-	-	60,208	10,451,960
Total liabilities	<u>8,195,208</u>	<u>10,608,889</u>	<u>-</u>	<u>759,041</u>	<u>1,460,673</u>	<u>21,023,811</u>

(Continued)

CITY OF ALBANY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2016

	General Fund	Community Development Fund	Job Investment Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES						
Nonspendable:						
Inventories	\$ 388,254	\$ -	\$ -	\$ -	\$ -	\$ 388,254
Prepaid items	30,280	-	-	-	-	30,280
Restricted						
Federal programs	-	1,241,861	-	-	-	1,241,861
Public safety	142,319	-	-	-	-	142,319
Gortatowsky endowment	-	-	-	-	50,696	50,696
Capital projects	-	-	-	30,078,032	8,919,713	38,997,745
Committed						
Advance to other funds	-	-	-	-	71,942	71,942
Inner city development	-	-	21,523,048	-	261,772	21,784,820
Capital projects	-	-	-	-	8,631,796	8,631,796
Assigned						
City cemetery	582,716	-	-	-	-	582,716
Keep Albany-Dougherty Beautiful	209,956	-	-	-	-	209,956
Budgetary stabilization	-	920,791	-	-	-	920,791
Unassigned	26,046,316	-	-	-	(622,493)	25,423,823
Total fund balances	27,399,841	2,162,652	21,523,048	30,078,032	17,313,426	98,476,999
Total liabilities, deferred inflows of resources, and fund balances	\$ 35,595,049	\$ 12,771,541	\$ 21,523,048	\$ 30,837,073	\$ 18,774,099	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	95,144,946
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	10,148,000
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	6,190,522
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	2,500,028
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(28,096,855)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	(40,315,644)
Deferred inflows of resources related to the net difference between projected and actual earnings on pension plan investments are not available to pay for current resources and therefore are not reported in the governmental funds.	(231,526)
Net position of governmental activities	<u>\$ 143,816,470</u>

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

CITY OF ALBANY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Community Development Fund	Job Investment Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 16,039,822	\$ -	\$ -	\$ -	\$ 275,763	\$ 16,315,585
Sales taxes	9,683,370	-	-	-	-	9,683,370
Other taxes	9,847,836	-	-	-	1,994,981	11,842,817
Licenses and permits	926,040	-	-	-	-	926,040
Intergovernmental	11,591,205	1,736,606	-	10,912,512	359,962	24,600,285
Charges for services	833,348	776,322	-	-	1,423,278	3,032,948
Fines and forfeitures	1,425,005	-	-	-	-	1,425,005
Investment income (loss)	500,186	1,018	34,398	276,705	711,538	1,523,845
Other	546,097	1,142,761	-	-	5,516	1,694,374
Total revenues	<u>51,392,909</u>	<u>3,656,707</u>	<u>34,398</u>	<u>11,189,217</u>	<u>4,771,038</u>	<u>71,044,269</u>
Expenditures:						
Current:						
General government	11,160,530	-	-	-	-	11,160,530
Judicial	1,144,699	-	-	-	-	1,144,699
Public safety	29,968,970	-	-	-	2,085,819	32,054,789
Public works	4,456,446	-	-	-	28,820	4,485,266
Parks and recreation	7,283,937	-	-	-	32,301	7,316,238
Community development	-	3,471,598	2,511	-	1,550,933	5,025,042
Community service	379,747	-	-	-	-	379,747
Capital outlay	-	-	-	8,993,845	1,063,514	10,057,359
Debt service:						
Principal	-	300,000	-	4,700,000	640,000	5,640,000
Interest	-	29,517	-	280,350	587,461	897,328
Total expenditures	<u>54,394,329</u>	<u>3,801,115</u>	<u>2,511</u>	<u>13,974,195</u>	<u>5,988,848</u>	<u>78,160,998</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,001,420)</u>	<u>(144,408)</u>	<u>31,887</u>	<u>(2,784,978)</u>	<u>(1,217,810)</u>	<u>(7,116,729)</u>

(Continued)

CITY OF ALBANY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Community Development Fund	Job Investment Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses):						
Proceeds from sale of assets	\$ 50,039	\$ 50,826	\$ -	\$ -	\$ -	\$ 100,865
Transfers in	18,010,564	-	2,537,842	-	3,469,729	24,018,135
Transfers out	(9,139,218)	-	-	-	(1,270,859)	(10,410,077)
Total other financing sources, net	<u>8,921,385</u>	<u>50,826</u>	<u>2,537,842</u>	<u>-</u>	<u>2,198,870</u>	<u>13,708,923</u>
Net change in fund balances	5,919,965	(93,582)	2,569,729	(2,784,978)	981,060	6,592,194
Fund balances, beginning of year	<u>21,479,876</u>	<u>2,256,234</u>	<u>18,953,319</u>	<u>32,863,010</u>	<u>16,332,366</u>	<u>91,884,805</u>
Fund balances, end of year	<u>\$ 27,399,841</u>	<u>\$ 2,162,652</u>	<u>\$ 21,523,048</u>	<u>\$ 30,078,032</u>	<u>\$ 17,313,426</u>	<u>\$ 98,476,999</u>

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, 2016**

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

Net change in fund balances - total governmental funds	\$ 6,592,194
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.	3,305,507
decrease net position.	(1,698,951)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the	(535,664)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	5,810,222
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(2,168,761)
Internal service funds are used by management to charge the costs of insurance to individual funds.	1,577,360
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>84,269</u>
Change in net position of governmental activities	<u><u>\$ 12,966,176</u></u>

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

CITY OF ALBANY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP) BASIS AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund				Community Development Fund			Job Investment Fund		
	Original Budget	Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
Revenues:										
Property taxes	\$ 15,600,701	\$ 15,600,701	\$ 16,039,822	\$ 439,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	9,581,582	9,581,582	9,683,370	101,788	-	-	-	-	-	-
Other taxes	9,516,633	9,516,633	9,847,836	331,203	-	-	-	-	-	-
Licenses and permits	842,719	842,719	926,040	83,321	-	-	-	-	-	-
Intergovernmental	12,596,640	12,596,640	11,591,205	(1,005,435)	1,253,932	1,736,606	482,674	-	-	-
Charges for services	1,055,034	1,055,034	833,348	(221,686)	851,000	776,322	(74,678)	-	-	-
Fines and forfeitures	1,560,528	1,560,528	1,425,005	(135,523)	-	-	-	-	-	-
Investment income	90,459	90,459	500,186	409,727	-	1,018	1,018	-	34,398	34,398
Other	99,676	99,676	546,097	446,421	672,333	1,142,761	470,428	-	-	-
Total revenues	50,943,972	50,943,972	51,392,909	448,937	2,777,265	3,656,707	879,442	-	34,398	34,398
Expenditures:										
Current:										
General government:										
Legislative	788,659	695,759	657,650	38,109	-	-	-	-	-	-
Administrative	1,115,528	1,327,513	1,308,329	19,184	-	-	-	-	-	-
Human resources	2,021,601	1,989,840	1,711,225	278,615	-	-	-	-	-	-
Procurement and materials	547,633	521,233	500,053	21,180	-	-	-	-	-	-
Materials management	575,139	565,596	562,249	3,347	-	-	-	-	-	-
Finance	5,522,036	5,960,301	3,097,429	2,862,872	-	-	-	-	-	-
Fleet management	24,200	10,000	4,393	5,607	-	-	-	-	-	-
Treasury	218,331	230,148	203,159	26,989	-	-	-	-	-	-
Small business program	150,573	145,367	117,225	28,142	-	-	-	-	-	-
Information technology	3,050,268	3,110,557	2,352,325	758,232	-	-	-	-	-	-
Risk management	551,188	548,709	471,549	77,160	-	-	-	-	-	-
311 Customer response	180,325	187,175	174,944	12,231	-	-	-	-	-	-
Total general government	14,745,481	15,292,198	11,160,530	4,131,668	-	-	-	-	-	-
Judicial:										
Municipal court	537,902	512,741	498,274	14,467	-	-	-	-	-	-
City attorney	743,649	713,135	646,425	66,710	-	-	-	-	-	-
Total judicial	1,281,551	1,225,876	1,144,699	81,177	-	-	-	-	-	-

(Continued)

CITY OF ALBANY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP) BASIS AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund				Community Development Fund			Job Investment Fund		
	Original Budget	Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
Expenditures:										
Current:										
Public safety:										
Police	\$ 18,952,802	\$ 18,289,929	\$ 15,965,308	\$ 2,324,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire	13,851,700	13,415,530	12,591,562	823,968	-	-	-	-	-	-
Planning and development services	1,173,307	1,135,379	960,675	174,704	-	-	-	-	-	-
Marshal division	409,178	383,817	363,074	20,743	-	-	-	-	-	-
SWAT Team	60,652	100,652	88,351	12,301	-	-	-	-	-	-
Total public safety	<u>34,447,639</u>	<u>33,325,307</u>	<u>29,968,970</u>	<u>3,356,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public works:										
Engineering	4,028,677	3,978,133	3,577,252	400,881	-	-	-	-	-	-
Code enforcement	952,667	938,140	878,590	59,550	-	-	-	-	-	-
Street maintenance	-	-	604	(604)	-	-	-	-	-	-
Total public works	<u>4,981,344</u>	<u>4,916,273</u>	<u>4,456,446</u>	<u>459,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Parks and recreation:										
Administration	625,461	624,998	617,509	7,489	-	-	-	-	-	-
Parks	2,296,709	2,268,011	2,156,871	111,140	-	-	-	-	-	-
Park development and management	5,566,467	5,405,319	4,057,837	1,347,482	-	-	-	-	-	-
Turner Golf Course	526,091	514,889	451,720	63,169	-	-	-	-	-	-
Total parks and recreation	<u>9,014,728</u>	<u>8,813,217</u>	<u>7,283,937</u>	<u>1,529,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community development	-	-	-	-	4,366,049	3,471,598	894,451	2,814,308	2,511	2,811,797
Community service, various subsidized agencies	<u>387,000</u>	<u>387,000</u>	<u>379,747</u>	<u>7,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service:										
Principal	-	-	-	-	300,000	300,000	-	-	-	-
Interest	-	-	-	-	100,247	29,517	70,730	-	-	-
Total expenditures	<u>64,857,743</u>	<u>63,959,871</u>	<u>54,394,329</u>	<u>9,565,542</u>	<u>4,766,296</u>	<u>3,801,115</u>	<u>965,181</u>	<u>2,814,308</u>	<u>2,511</u>	<u>2,811,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,913,771)</u>	<u>(13,015,899)</u>	<u>(3,001,420)</u>	<u>10,014,479</u>	<u>(1,989,031)</u>	<u>(144,408)</u>	<u>1,844,623</u>	<u>(2,814,308)</u>	<u>31,887</u>	<u>2,846,195</u>

(Continued)

CITY OF ALBANY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP) BASIS AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund				Community Development Fund			Job Investment Fund		
	Original Budget	Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
Other financing sources (uses):										
Proceeds from sale of assets	\$ -	\$ -	\$ 50,039	\$ 50,039	\$ -	\$ 50,826	\$ 50,826	\$ -	\$ -	\$ -
Transfers in	16,668,375	16,668,375	18,010,564	1,342,189	-	-	-	2,814,308	2,537,842	(276,466)
Transfers out	(4,778,601)	(4,778,601)	(9,139,218)	(4,360,617)	-	-	-	-	-	-
Total other financing sources (uses)	11,889,774	11,889,774	8,921,385	(2,968,389)	-	50,826	50,826	2,814,308	2,537,842	(276,466)
Net change in fund balances	<u>\$ (2,023,997)</u>	<u>\$ (1,126,125)</u>	5,919,965	<u>\$ 7,046,090</u>	<u>\$ (1,989,031)</u>	(93,582)	<u>\$ 1,895,449</u>	<u>\$ -</u>	2,569,729	<u>\$ 2,569,729</u>
Fund balance, beginning of year			21,479,876			2,256,234			18,953,319	
Fund balance, end of year			<u>\$ 27,399,841</u>			<u>\$ 2,162,652</u>			<u>\$ 21,523,048</u>	

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

CITY OF ALBANY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2016

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Storm Water Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
ASSETS								
CURRENT ASSETS								
Cash	\$ 5,595,790	\$ 1,273,065	\$ 2,682,494	\$ 8,185,062	\$ 1,576,687	\$ 3,584,310	\$ 22,897,408	\$ 4,613,210
Investments	1,193,769	-	1,558,158	8,425,259	-	3,388,770	14,565,956	8,502,829
Restricted investments	9,006,514	-	-	-	-	-	9,006,514	-
Accounts receivable, net of allowances	1,574,380	61,783	1,538,985	13,168,454	392,642	2,604,492	19,340,736	948,750
Inventories	21,857	-	561,764	1,891,056	-	758,857	3,233,534	-
Due from other governments	-	119,292	-	-	-	1,458,283	1,577,575	-
Due from other funds	-	-	-	-	-	-	-	2,324,671
Total current assets	<u>17,392,310</u>	<u>1,454,140</u>	<u>6,341,401</u>	<u>31,669,831</u>	<u>1,969,329</u>	<u>11,794,712</u>	<u>70,621,723</u>	<u>16,389,460</u>
NONCURRENT ASSETS								
Capital assets:								
Non-depreciable	127,295	5,288,210	2,542,309	185,235	6,004,916	6,241,377	20,389,342	1,496,905
Depreciable, net of accumulated depreciation	<u>48,462,042</u>	<u>33,345,125</u>	<u>25,787,972</u>	<u>24,244,293</u>	<u>17,674,914</u>	<u>22,336,700</u>	<u>171,851,046</u>	<u>2,459,500</u>
Total noncurrent assets	<u>48,589,337</u>	<u>38,633,335</u>	<u>28,330,281</u>	<u>24,429,528</u>	<u>23,679,830</u>	<u>28,578,077</u>	<u>192,240,388</u>	<u>3,956,405</u>
Total assets	<u>65,981,647</u>	<u>40,087,475</u>	<u>34,671,682</u>	<u>56,099,359</u>	<u>25,649,159</u>	<u>40,372,789</u>	<u>262,862,111</u>	<u>20,345,865</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred charge on refunding	235,880	-	-	-	-	-	235,880	-
Differences between expected and actual experience of economic/demographic (gains)/losses	120,724	23,216	76,613	76,613	74,292	250,734	622,192	253,056
City contributions subsequent to the measurement date	<u>313,699</u>	<u>60,327</u>	<u>199,078</u>	<u>199,078</u>	<u>193,045</u>	<u>651,527</u>	<u>1,616,754</u>	<u>657,561</u>
Total deferred outflows of resources	<u>670,303</u>	<u>83,543</u>	<u>275,691</u>	<u>275,691</u>	<u>267,337</u>	<u>902,261</u>	<u>2,474,826</u>	<u>910,617</u>

(Continued)

CITY OF ALBANY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2016

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Storm Water Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
LIABILITIES								
CURRENT LIABILITIES								
Payable from current assets:								
Accounts payable	\$ 205,620	\$ 118,286	\$ 298,054	\$ 6,740,703	\$ 37,069	\$ 940,716	\$ 8,340,448	\$ 722,776
Retainage payable	-	-	157,435	-	-	-	157,435	-
Accrued liabilities	319,014	-	24,756	-	-	-	343,770	471,566
Due to other funds	2,587,932	111,721	849,558	2,693,628	189,256	5,002,970	11,435,065	23,325
Claims payable	-	-	-	-	-	-	-	2,578,100
Current portion - compensated absences	300,273	36,068	157,663	283,112	188,032	436,634	1,401,782	673,032
Advance payments and customer deposits	-	-	-	-	-	23,259	23,259	-
Unearned revenue	-	1,107,272	-	59,269	-	56,183	1,222,724	-
	<u>3,412,839</u>	<u>1,373,347</u>	<u>1,487,466</u>	<u>9,776,712</u>	<u>414,357</u>	<u>6,459,762</u>	<u>22,924,483</u>	<u>4,468,799</u>
Payable from restricted assets:								
Revenue bonds payable, current	3,240,000	-	1,395,000	-	-	-	4,635,000	-
Total current liabilities	<u>6,652,839</u>	<u>1,373,347</u>	<u>2,882,466</u>	<u>9,776,712</u>	<u>414,357</u>	<u>6,459,762</u>	<u>27,559,483</u>	<u>4,468,799</u>
NONCURRENT LIABILITIES								
Advance from other funds	-	-	-	71,942	-	-	71,942	-
Revenue bonds payable, net of current portion	11,400,000	-	6,366,656	-	-	-	17,766,656	-
Capital lease payable, net of current portion	-	-	-	-	-	-	-	-
Compensated absences, net of current portion	35,027	4,843	17,518	31,457	20,892	48,514	158,251	74,781
Customer deposits	-	-	-	-	-	-	-	2,485,648
Notes payable	-	-	1,412,533	-	-	-	1,412,533	-
Other long-term liabilities	-	-	-	-	-	1,298,865	1,298,865	-
Net pension liability	2,829,168	544,071	1,795,434	1,795,434	1,741,026	5,875,963	14,581,096	5,930,371
Total long-term liabilities	<u>14,264,195</u>	<u>548,914</u>	<u>9,592,141</u>	<u>1,898,833</u>	<u>1,761,918</u>	<u>7,223,342</u>	<u>35,289,343</u>	<u>8,490,800</u>
Total liabilities	<u>20,917,034</u>	<u>1,922,261</u>	<u>12,474,607</u>	<u>11,675,545</u>	<u>2,176,275</u>	<u>13,683,104</u>	<u>62,848,826</u>	<u>12,959,599</u>
DEFERRED INFLOWS OF RESOURCES								
Net difference between projected and actual earnings on pension plan investments	16,247	3,125	10,311	10,311	9,998	33,745	83,737	34,057
Total deferred inflows of resources	<u>16,247</u>	<u>3,125</u>	<u>10,311</u>	<u>10,311</u>	<u>9,998</u>	<u>33,745</u>	<u>83,737</u>	<u>34,057</u>

(Continued)

CITY OF ALBANY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2016

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Storm Water Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
NET POSITION								
Net investment in capital assets	\$ 33,949,337	\$ 38,633,335	\$ 20,411,190	\$ 24,429,528	\$ 23,679,830	\$ 28,578,077	\$ 169,681,297	\$ 3,956,405
Restricted for:								
Debt service	9,006,514	-	-	-	-	-	9,006,514	-
Unrestricted (deficit)	2,762,818	(387,703)	2,051,265	20,259,666	50,393	(1,019,876)	23,716,563	4,306,421
Total net position	<u>\$ 45,718,669</u>	<u>\$ 38,245,632</u>	<u>\$ 22,462,455</u>	<u>\$ 44,689,194</u>	<u>\$ 23,730,223</u>	<u>\$ 27,558,201</u>	202,404,374	<u>\$ 8,262,826</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds							<u>5,762,800</u>	
Net position of business type activities							<u>\$ 208,167,174</u>	

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

CITY OF ALBANY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Storm Water Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
Operating revenues:								
Charges for services	\$ 14,428,773	\$ 832,128	\$ 11,305,764	\$ 109,080,164	\$ 2,824,693	\$ 27,519,687	\$ 165,991,209	\$ 30,852,803
Other	427	-	7,304	932,012	-	683,764	1,623,507	113,389
Total operating revenues	<u>14,429,200</u>	<u>832,128</u>	<u>11,313,068</u>	<u>110,012,176</u>	<u>2,824,693</u>	<u>28,203,451</u>	<u>167,614,716</u>	<u>30,966,192</u>
Operating expenses:								
Personnel costs	3,318,717	652,470	1,937,674	1,660,052	2,231,775	5,620,402	15,421,090	6,538,735
General and administrative	-	-	-	-	-	-	-	4,512,760
Supplies	347,026	15,780	582,273	615,112	121,367	669,758	2,351,316	425,270
Operating services and charges	4,574,977	663,639	4,992,070	85,792,138	1,493,610	19,682,656	117,199,090	3,370,962
Maintenance and repairs	839,858	327,256	126,224	230,953	354,551	1,174,447	3,053,289	230,065
Depreciation and amortization	2,553,062	1,267,574	2,059,381	1,791,664	1,102,823	2,087,755	10,862,259	870,391
Claims and damages	-	-	-	-	-	-	-	10,409,124
Total operating expenses	<u>11,633,640</u>	<u>2,926,719</u>	<u>9,697,622</u>	<u>90,089,919</u>	<u>5,304,126</u>	<u>29,235,018</u>	<u>148,887,044</u>	<u>26,357,307</u>
Operating income (loss)	<u>2,795,560</u>	<u>(2,094,591)</u>	<u>1,615,446</u>	<u>19,922,257</u>	<u>(2,479,433)</u>	<u>(1,031,567)</u>	<u>18,727,672</u>	<u>4,608,885</u>
Nonoperating revenues (expenses):								
Investment income (loss)	305,114	2,288	3,913	51,043	-	26,397	388,755	96,635
Interest expense and fiscal charges	(638,028)	-	(291,868)	-	-	-	(929,896)	-
Intergovernmental - operating grants	-	-	-	-	-	1,239,904	1,239,904	-
Gain (loss) on sale of capital assets	(2,189)	(596,685)	17,434	(93,407)	(281,250)	(308,040)	(1,264,137)	(401,144)
Total nonoperating revenues (expenses)	<u>(335,103)</u>	<u>(594,397)</u>	<u>(270,521)</u>	<u>(42,364)</u>	<u>(281,250)</u>	<u>958,261</u>	<u>(565,374)</u>	<u>(304,509)</u>
Income (loss) before capital contributions and transfers	<u>2,460,457</u>	<u>(2,688,988)</u>	<u>1,344,925</u>	<u>19,879,893</u>	<u>(2,760,683)</u>	<u>(73,306)</u>	<u>18,162,298</u>	<u>4,304,376</u>
Capital contributions								
Intergovernmental - capital grants	-	478,665	-	-	-	671,953	1,150,618	-
Other capital contributions	715,838	89,396	-	-	750,889	825,799	2,381,922	195,388
Total capital contributions	<u>715,838</u>	<u>568,061</u>	<u>-</u>	<u>-</u>	<u>750,889</u>	<u>1,497,752</u>	<u>3,532,540</u>	<u>195,388</u>
Transfers								
Transfers in	-	914,436	-	-	1,256,779	2,755,053	4,926,268	2,000,000
Transfers out	(2,022,808)	(8,669)	(974,117)	(14,523,070)	-	(3,005,662)	(20,534,326)	-
Total transfers	<u>(2,022,808)</u>	<u>905,767</u>	<u>(974,117)</u>	<u>(14,523,070)</u>	<u>1,256,779</u>	<u>(250,609)</u>	<u>(15,608,058)</u>	<u>2,000,000</u>
Change in net position	<u>1,153,487</u>	<u>(1,215,160)</u>	<u>370,808</u>	<u>5,356,823</u>	<u>(753,015)</u>	<u>1,173,837</u>	<u>6,086,780</u>	<u>6,499,764</u>
Net position, beginning of year	<u>44,565,182</u>	<u>39,460,792</u>	<u>22,091,647</u>	<u>39,332,371</u>	<u>24,483,238</u>	<u>26,384,364</u>		<u>1,763,062</u>
Net position, end of year	<u>\$ 45,718,669</u>	<u>\$ 38,245,632</u>	<u>\$ 22,462,455</u>	<u>\$ 44,689,194</u>	<u>\$ 23,730,223</u>	<u>\$ 27,558,201</u>		<u>\$ 8,262,826</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds							<u>4,838,135</u>	
Change in net position of business type activities							<u>\$ 10,924,915</u>	

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

CITY OF ALBANY, GEORGIA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Storm Water Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	\$ 14,369,589	\$ 1,059,997	\$ 11,218,630	\$ 110,925,714	\$ 2,726,363	\$ 28,940,952	\$ 169,241,245	\$ 13,687,595
Receipts from other funds	-	-	-	-	-	-	-	17,381,367
Payments to suppliers	(5,138,417)	(949,434)	(2,172,096)	(2,354,772)	(2,128,982)	(21,142,844)	(33,886,545)	(7,543,217)
Payments to employees	(3,132,499)	(893,896)	(4,257,109)	(85,187,214)	(1,475,946)	(5,928,547)	(100,875,211)	(6,903,590)
Claims paid	-	-	-	-	-	-	-	(11,507,574)
Premiums paid	-	-	-	-	-	-	-	(3,815,312)
Net cash provided by (used in) operating activities	6,098,673	(783,333)	4,789,425	23,383,728	(878,565)	1,869,561	34,479,489	1,299,269
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES								
Transfers in	-	914,436	-	-	1,690,105	2,759,728	5,364,269	2,000,000
Transfers out	(2,417,958)	(8,669)	(996,536)	(14,523,070)	-	(3,005,662)	(20,951,895)	(20,432)
Payments for environmental remediation obligation	-	-	-	-	-	(49,716)	(49,716)	-
Operating grants received	-	-	-	-	-	1,239,904	1,239,904	-
Net cash provided by (used in) noncapital financing activities	(2,417,958)	905,767	(996,536)	(14,523,070)	1,690,105	944,254	(14,397,438)	1,979,568
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition and construction of capital assets	(63,805)	(226,925)	(2,163,138)	(978,464)	(129,502)	(2,906,464)	(6,468,298)	(1,243,864)
Proceeds from note payable	-	-	1,412,533	-	-	-	1,412,533	-
Principal paid on bonds	(3,110,000)	-	(1,345,000)	-	-	-	(4,455,000)	-
Interest paid	(705,687)	-	(319,001)	-	-	-	(1,024,688)	-
Advance from other funds	-	-	-	(35,972)	-	(328,682)	(364,654)	-
Capital grants received	-	361,003	-	-	-	671,953	1,032,956	-
Proceeds from sale of capital assets	-	-	17,434	20,699	-	83,714	121,847	32,375
Net cash provided by (used in) capital and related financing activities	(3,879,492)	134,078	(2,397,172)	(993,737)	(129,502)	(2,479,479)	(9,745,304)	(1,211,489)
(Continued)								

CITY OF ALBANY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Storm Water Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES								
Proceeds from sales of investments	\$ 4,823,728	\$ -	\$ 2,049,859	\$ 4,838,775	\$ -	\$ (354,728)	\$ 11,357,634	\$ (1,000,000)
Purchases of investments	(3,774,372)	-	(2,046,822)	(8,840,117)	-	(1,668,938)	(16,330,249)	4,854
Interest on investments	305,114	2,288	3,913	51,043	-	26,397	388,755	96,635
Net cash provided by (used in) investing activities	1,354,470	2,288	6,950	(3,950,299)	-	(1,997,269)	(4,583,860)	(898,511)
Increase (decrease) in cash and cash equivalents	1,155,693	258,800	1,402,667	3,916,622	682,038	(1,662,933)	5,752,887	1,168,837
Cash and cash equivalents:								
Beginning of year	4,440,097	1,014,265	1,279,827	4,268,440	894,649	5,247,243	17,144,521	3,444,373
End of year	\$ 5,595,790	\$ 1,273,065	\$ 2,682,494	\$ 8,185,062	\$ 1,576,687	\$ 3,584,310	\$ 22,897,408	\$ 4,613,210
Classified as:								
Cash	\$ 5,595,790	\$ 1,273,065	\$ 2,682,494	\$ 8,185,062	\$ 1,576,687	\$ 3,584,310	\$ 22,897,408	\$ 4,613,210
	<u>\$ 5,595,790</u>	<u>\$ 1,273,065</u>	<u>\$ 2,682,494</u>	<u>\$ 8,185,062</u>	<u>\$ 1,576,687</u>	<u>\$ 3,584,310</u>	<u>\$ 22,897,408</u>	<u>\$ 4,613,210</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES								
Contributions of capital assets from outside sources	\$ 580,933	\$ -	\$ -	\$ -	\$ 75,504	\$ -	\$ 656,437	\$ -
Contributions of capital assets from governmental activities	134,905	89,396	-	-	675,385	825,799	1,725,485	(179,047)
Contributions of capital assets (to) from other proprietary funds	395,150	-	22,419	-	(433,326)	(4,675)	(20,432)	20,432
	<u>\$ 1,110,988</u>	<u>\$ 89,396</u>	<u>\$ 22,419</u>	<u>\$ -</u>	<u>\$ 317,563</u>	<u>\$ 821,124</u>	<u>\$ 2,361,490</u>	<u>\$ (158,615)</u>

(Continued)

CITY OF ALBANY, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Sanitary Sewer Fund	Airport Fund	Water Fund	Light Fund	Storm Water Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:								
Operating income (loss)	\$ 2,795,560	\$ (2,094,591)	\$ 1,615,446	\$ 19,922,257	\$ (2,479,433)	\$ (1,031,567)	\$ 18,727,672	\$ 4,608,885
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization	2,553,062	1,267,574	2,059,381	1,791,664	1,102,823	2,087,755	10,862,259	870,391
Increase in internal investment pool	-	-	-	-	-	-	-	(375,848)
(Increase) decrease in account receivable	(59,611)	18,827	(94,438)	854,269	(98,330)	732,633	1,353,350	(234,661)
(Increase) decrease in inventories	(4,529)	-	(78,686)	95,827	-	7,069	19,681	-
Increase in due from other governments	-	-	-	-	-	(182,048)	(182,048)	-
(Increase) decrease in due from other funds	-	-	292,363	-	210,066	51,885	554,314	(2,065,936)
Increase in net difference between expected and actual experience of economic/demographic (gains)/loss	(120,724)	(23,216)	(76,613)	(76,613)	(74,292)	(250,734)	(622,192)	(253,056)
(Increase) decrease in contributions subsequent to the measurement date	(33,544)	21,787	23,114	81,077	(19,155)	63,353	136,632	18,676
Increase (decrease) in accounts payable and other liabilities	(69,133)	4,252	380,223	327,251	94,260	(547,627)	189,226	111,192
Decrease in claims payable	-	-	-	-	-	-	-	(506,458)
Increase (decrease) in due to other funds	697,106	110,091	849,558	1,027,911	189,256	1,416,153	4,290,075	(791,964)
Increase in unearned revenues	-	98,951	-	59,269	-	4,868	163,088	-
Increase (decrease) in net pension liability	676,830	(86,787)	88,407	(356,904)	405,092	383,791	1,110,429	735,073
Increase in net difference between projected and actual earnings on pension plan investments	(336,344)	(100,221)	(269,330)	(342,280)	(208,852)	(865,970)	(2,122,997)	(817,025)
Net cash provided by (used in) operating activities	<u>\$ 6,098,673</u>	<u>\$ (783,333)</u>	<u>\$ 4,789,425</u>	<u>\$ 23,383,728</u>	<u>\$ (878,565)</u>	<u>\$ 1,869,561</u>	<u>\$ 34,479,489</u>	<u>\$ 1,299,269</u>

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

CITY OF ALBANY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
PENSION FUND
JUNE 30, 2016

ASSETS

Cash	\$ 3,517,271
Investments at fair value:	
Equity securities	63,190,091
Government securities	7,893,590
Corporate bonds	21,635,504
Other	9,904,158
Total investments	<u>102,623,343</u>
Accounts receivable	150,122
Interest receivable	<u>83,814</u>
Total assets	<u>106,374,550</u>

LIABILITIES

Accrued expenses	<u>1,822</u>
Total liabilities	<u>1,822</u>

NET POSITION

Restricted for pension benefits	<u><u>\$ 106,372,728</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF ALBANY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Employer contributions	\$ 6,776,623
Investment earnings	
Interest and dividends	2,945,611
Net decrease in fair value of investments	<u>(3,384,463)</u>
	(438,852)
Less investment expense	<u>751,981</u>
Net investment loss	<u>(1,190,833)</u>
 Total additions	 <u>5,585,790</u>
DEDUCTIONS:	
Benefit payments	14,019,322
Administrative expense	<u>68,967</u>
 Total deductions	 <u>14,088,289</u>
 Change in net position	 (8,502,499)
 NET POSITION, BEGINNING OF YEAR	 <u>114,875,227</u>
 NET POSITION, END OF YEAR	 <u><u>\$ 106,372,728</u></u>

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

CITY OF ALBANY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Financial Reporting Entity (Continued)

Blended Component Unit

Albany Dougherty Inner City Authority (ADICA) - The City Commission appoints six of seven members of ADICA's board. Budget requests for ADICA are submitted to the Commission for approval, with the City Commission possessing authority to revise ADICA's budget. ADICA's primary purpose is to provide financing for the City's construction projects. ADICA is charged with the responsibility of promoting improvements and redevelopment of the area of Albany that is bounded by West Slappey on the west, Liberty Expressway on the north and east, and Oakridge Drive on the south. The City, however, does not participate in the selection or monitoring of management. Separate financial statements are not prepared for ADICA.

Discretely Presented Component Unit

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's proprietary funds and various other functions of the government. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the *discretely presented component unit*.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The City reports the following major governmental funds:

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

The City also reports the following fund types:

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

D. Budgets and Budgetary Accounting

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds and Capital Project Funds. Encumbrances outstanding at year-end are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are re-appropriated in the following year, except for encumbrances in the Capital Project Funds, which are continuing. Encumbrances do not represent GAAP expenditures. At June 30, 2016, there were no encumbrances outstanding.

In the General Fund, expenditures exceeded budget for street maintenance by \$604. This over expenditures was funded by greater than anticipated revenues and available fund balance.

The Tax Allocation District Fund reported a deficit fund balance of \$622,493 at June 30, 2016. This deficit is intended to be eliminated through future tax revenues.

E. Cash and Cash Equivalents

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investments

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

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

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

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

G. Inventory

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Prepaid Items

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

I. Receivables/Payables

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

J. Capital Assets

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

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

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

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets is included as part of the capitalized value of assets constructed. No interest was capitalized during the fiscal year ended June 30, 2016.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences

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

L. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums on the issue are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows / Inflows of Resources

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

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from notes receivables, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. An *effective hedge* is reported in the government-wide statement of net position. The effective hedge results from the change in market value of a swap agreement related to the certificates of participation. The amount is deferred and will mature on June 1, 2028, at the same time as the certificates of participation. The third item relates to the City's Retirement Plan and is reported in the government-wide and proprietary fund statements of net position. The differences between projected investment return on pension investments and actual return on those investments are deferred and amortized against pension expense over a five year period, resulting in recognition as deferred inflows of resources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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

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

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

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

O. Management Estimates

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

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental funds balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$28,096,855 difference are as follows:

Notes payable	\$ (2,325,000)
Bonds payable	(7,025,000)
Unamortized premium on bonds	(94,973)
Unamortized refunding charge	94,902
Certificates of participation	(10,000,000)
Compensated absences	(3,297,955)
Other post-employment benefit obligation	(5,424,576)
Accrued interest payable	(24,253)
Net adjustment to reduce <i>fund balance - total governmental funds</i>	
to arrive at net position - governmental activities	<u>\$ (28,096,855)</u>

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation explains that “deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds”. The details of this \$6,190,522 difference are as follows:

City contributions subsequent to the measurement date	\$ 4,470,206
Differences between expected and actual experience of economic/ demographic (gains)/losses	<u>1,720,316</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net position of governmental activities	<u><u>\$ 6,190,522</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$3,305,507 difference are as follows:

NOTES TO FINANCIAL STATEMENTS

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

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

Capital outlay	\$ 7,751,654
Depreciation expense	(4,446,147)
Net adjustment to increase <i>net changes in fund balances - total</i> governmental funds to arrive at changes in net position of governmental activities	<u>\$ 3,305,507</u>

Another element of that reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position." The details of this \$1,698,951 differences are as follows:

Donations of capital assets	\$ 138,062
Transfers of capital assets to business-type activities	(1,543,438)
Disposals of capital assets	<u>(293,575)</u>
Net adjustment to decrease <i>net changes in fund balances - total</i> governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,698,951)</u>

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation explains that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$5,810,222 difference are as follows:

Principal repayment - general obligation bonds	\$ 4,965,000
Principal repayment - notes payable	675,000
Amortization of premium on bonds	191,071
Amortization of loss on defeasance of bonds	<u>(20,849)</u>
Net adjustment to increase <i>net changes in fund balances - total</i> governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 5,810,222</u></u>

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation explains that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$2,168,761 difference are as follows:

Compensated absences	\$ (344,285)
Accrued interest	78,749
Other post-employment benefit obligation	(650,790)
Change in net pension and related deferred inflows and outflows of resources	<u>(1,252,435)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net position of governmental activities	<u><u>\$ (2,168,761)</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

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

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

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. At June 30, 2016, the City did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The County has the following recurring fair value measurements at June 30, 2016:

	Level 1	Level 2	Level 3	Fair Value
U.S treasuries and agencies	\$ 41,077,650	\$ 34,547,912	\$ -	\$ 75,625,562
Mortgage backed securities	-	14,675,441	-	14,675,441
Commercial mortgage backed securities	-	625,587	-	625,587
	<u>\$ 41,077,650</u>	<u>\$ 49,848,940</u>	<u>\$ -</u>	<u>\$ 90,926,590</u>
Investments recorded at cost:				
Guaranteed Investment Contract				8,465,238
				<u>\$ 99,391,828</u>

The County's pension plan has the following recurring fair value measurements at June 30, 2016:

	Level 1	Level 2	Level 3	Fair Value
U.S treasuries and agencies	\$ 4,452,314	\$ -	\$ -	\$ 4,452,314
Mortgage backed securities		3,277,843	-	3,277,843
Equity securities	66,576,830	-	-	66,576,830
Mutual funds	8,105,540	-	-	8,105,540
Corporate bonds	3,826,429	14,588,531	-	18,414,960
	<u>\$ 82,961,113</u>	<u>\$ 17,866,374</u>	<u>\$ -</u>	<u>\$ 100,827,487</u>
Investments recorded at net asset value:				
Multi-strategy hedge funds				1,795,856
				<u>\$ 102,623,343</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2016, the City had the following investments (in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)									Rating	
		Less than 1	1 - 5	6 - 10	11 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40		
Entity wide:												
Government securities	\$ 45,417	\$ 5,501	\$ 21,052	\$ 18,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	AA+	
Government securities	25,366	13,958	9,604	1,506	-	-	298	-	-	-	AAA	
Government securities	19,518	1,050	4,092	2,325	1,094	3,007	3,351	4,599	-	-	NR	
Guaranteed Inv. Contract	8,465	-	-	-	8,465	-	-	-	-	-	AA-	
Corporate bonds	626	-	-	-	-	-	-	626	-	-	BBB-	
	99,392	20,509	34,748	22,695	9,559	3,007	3,649	5,225	-	-		
Pension Trust Fund:												
Government securities	4,453	-	520	2,709	668	-	-	556	-	-	AAA	
Common stock	63,360	-	-	-	-	-	-	-	-	-	N/A	
Preferred stock	3,217	-	-	-	-	-	-	-	-	-	N/A	
Mutual funds	8,106	-	-	-	-	-	-	-	-	-	N/A	
Alternative investment	1,796	-	-	-	-	-	-	-	-	-	N/A	
Corporate bonds	-	-	-	-	-	-	-	-	-	-	A+	
Corporate bonds	-	-	-	-	-	-	-	-	-	-	A-	
Corporate bonds	1,713	-	1,156	557	-	-	-	-	-	-	BBB+	
Corporate bonds	1,914	339	1,345	230	-	-	-	-	-	-	BBB	
Corporate bonds	594	-	-	-	-	-	594	-	-	-	BBB-	
Corporate bonds	485	485	-	-	-	-	-	-	-	-	BAA	
Corporate bonds	1,561	-	1,321	-	-	240	-	-	-	-	BB+	
Corporate bonds	1,274	-	590	-	-	288	-	396	-	-	BB	
Corporate bonds	1,069	247	365	234	223	-	-	-	-	-	BB-	
Corporate bonds	769	-	-	769	-	-	-	-	-	-	B+	
Corporate bonds	741	-	-	-	450	-	-	291	-	-	B	
Corporate bonds	1,075	101	974	-	-	-	-	-	-	-	B-	
Corporate bonds	9,895	701	5,268	278	211	235	327	2,875	-	-	NR	
	102,623	1,873	11,539	4,777	1,552	763	1,522	4,118	-	-		
	\$ 202,015	\$ 22,382	\$ 46,287	\$ 27,472	\$ 11,111	\$ 3,770	\$ 5,171	\$ 9,343	\$ -	\$ -		

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

A. Property Taxes

Property taxes were levied on July 21, 2015 on the January 1, 2015 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, 2015, and payable before December 20, 2015. The lien date for unpaid taxes was January 1, 2015. After that date, an interest penalty of 18% applies. Property tax revenues are recognized when levied to the extent they result in current receivables.

The City is permitted by the Municipal Finance Law of the state to levy taxes up to \$20.00 per \$1,000 of assessed valuation for general government services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. A tax rate of 9.990 mills was levied during fiscal year 2016 for the City (mill equals \$1 per thousand dollars of assessed value).

Gross property taxes receivable at June 30, 2016 are \$1,107,887. An allowance of \$988,104 has been established for taxes in dispute and taxes that will not be collected for the year ended June 30, 2016, resulting in a net receivable for property taxes of \$119,783.

B. Sales Taxes

The City and Dougherty County jointly levy a 1% local option sales tax, of which the proceeds are split, 60% City and 40% Dougherty County. The proceeds are collected by the State of Georgia and remitted to the City. The tax law requires an offsetting reduction in property tax during each subsequent year of assessment equal to the amount of sales tax revenue received in the prior year. In addition, there is an additional 1% Special Purpose Local Option Sales Tax Program ("SPLOST") which was passed by referendums in 1989 (SPLOST II), 1994 (SPLOST III), 1999 (SPLOST IV), 2004 (SPLOST V), and 2010 (SPLOST VI). The proceeds from these sales tax programs are used to finance various capital projects. SPLOST II, SPLOST III, and SPLOST IV programs are administered by Dougherty County. The City administers its own programs under SPLOST V and SPLOST VI. SPLOST taxes due from other governments at June 30, 2016 are \$1,566,787.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES (CONTINUED)

C. Accounts Receivable

Accounts receivable of the primary government consisted of the following at June 30, 2016:

	<u>General Fund</u>	<u>Community Development Fund</u>	<u>Job Investment Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Sanitary Sewer Fund</u>	<u>Airport Fund</u>
Gross receivables	\$ 1,198,959	\$ 88,220	\$ 42,973	\$ 413,068	\$ 1,574,380	\$ 61,783
Less allowance for doubtful accounts	(53,163)	-	-	(34,999)	-	-
Net receivables	<u>\$ 1,145,796</u>	<u>\$ 88,220</u>	<u>\$ 42,973</u>	<u>\$ 378,069</u>	<u>\$ 1,574,380</u>	<u>\$ 61,783</u>
	<u>Water Fund</u>	<u>Light Fund</u>	<u>Storm Water Fund</u>	<u>Nonmajor Business-type Funds</u>	<u>Internal Service Funds</u>	
Gross receivables	\$ 1,640,600	\$ 13,830,771	\$ 449,320	\$ 2,790,615	\$ 1,312,838	
Less allowance for doubtful accounts	(101,615)	(662,317)	(56,678)	(186,123)	(364,088)	
Net receivables	<u>\$ 1,538,985</u>	<u>\$ 13,168,454</u>	<u>\$ 392,642</u>	<u>\$ 2,604,492</u>	<u>\$ 948,750</u>	

D. Notes Receivable

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

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

The City's capital asset activity for the fiscal year ended June 30, 2016, was as follows:

A. Primary Government

	Balance June 30, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 16,241,946	\$ -	\$ (17,235)	\$ (207,840)	\$ 16,016,871
Construction in progress	3,467,524	3,383,439	-	(2,057,136)	4,793,827
Total assets not depreciated	<u>19,709,470</u>	<u>3,383,439</u>	<u>(17,235)</u>	<u>(2,264,976)</u>	<u>20,810,698</u>
Capital assets being depreciated:					
Buildings and improvements	73,366,574	2,852,671	(293,376)	(257,907)	75,667,962
Equipment and vehicles	25,741,481	1,349,409	(1,677,280)	164,372	25,577,982
Infrastructure	70,401,870	304,197	-	929,759	71,635,826
Total assets depreciated	<u>169,509,925</u>	<u>4,506,277</u>	<u>(1,970,656)</u>	<u>836,224</u>	<u>172,881,770</u>
Less accumulated depreciation:					
Buildings and improvements	(25,037,990)	(2,103,803)	250,405	102,368	(26,789,020)
Equipment and vehicles	(16,349,391)	(1,548,395)	1,443,911	(212,518)	(16,666,393)
Infrastructure	(54,293,624)	(793,949)	-	(4,536)	(55,092,109)
Total accumulated depreciation	<u>(95,681,005)</u>	<u>(4,446,147)</u>	<u>1,694,316</u>	<u>(114,686)</u>	<u>(98,547,522)</u>
Total assets depreciated, net	<u>73,828,920</u>	<u>60,130</u>	<u>(276,340)</u>	<u>721,538</u>	<u>74,334,248</u>
Governmental activities capital assets, net	<u>\$ 93,538,390</u>	<u>\$ 3,443,569</u>	<u>\$ (293,575)</u>	<u>\$ (1,543,438)</u>	<u>\$ 95,144,946</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Balance June 30, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 14,087,168	\$ -	\$ (640)	\$ 183,840	\$ 14,270,368
Construction in progress	18,792,227	4,255,547	(2,180)	(15,429,715)	7,615,879
Total assets not depreciated	<u>32,879,395</u>	<u>4,255,547</u>	<u>(2,820)</u>	<u>(15,245,875)</u>	<u>21,886,247</u>
Capital assets being depreciated:					
Buildings and improvements	134,544,757	555,348	(8,602,735)	15,949,550	142,446,920
Equipment and vehicles	57,350,175	2,028,958	(2,112,387)	(118,766)	57,147,980
Infrastructure	153,272,002	1,528,748	(1,558,907)	843,847	154,085,690
Total assets depreciated	<u>345,166,934</u>	<u>4,113,054</u>	<u>(12,274,029)</u>	<u>16,674,631</u>	<u>353,680,590</u>
Less accumulated depreciation:					
Buildings and improvements	(50,605,944)	(3,086,977)	8,214,025	(22,878,250)	(68,357,146)
Equipment and vehicles	(39,176,783)	(3,237,840)	1,580,814	200,071	(40,633,738)
Infrastructure	(88,905,703)	(5,306,261)	1,039,943	22,792,861	(70,379,160)
Total accumulated depreciation	<u>(178,688,430)</u>	<u>(11,631,078)</u>	<u>10,834,782</u>	<u>114,682</u>	<u>(179,370,044)</u>
Total assets depreciated, net	<u>166,478,504</u>	<u>(7,518,024)</u>	<u>(1,439,247)</u>	<u>16,789,313</u>	<u>174,310,546</u>
Business-type activities capital assets, net	<u>\$ 199,357,899</u>	<u>\$ (3,262,477)</u>	<u>\$ (1,442,067)</u>	<u>\$ 1,543,438</u>	<u>\$ 196,196,793</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:

General government	\$ 628,628
Public safety	1,669,462
Public works	981,114
Culture and recreation	736,241
Community development	430,702
Total depreciation expense - governmental activities	<u>\$ 4,446,147</u>

Business-type activities:

Sanitary sewer	\$ 2,451,490
Solid waste	461,676
Airport	1,267,574
Water	2,059,381
Gas	227,737
Light	1,791,664
Telecommuication	457,442
Transit	454,453
Storm water	1,102,823
Civic Center	486,447
Utility Internal Service Fund	870,391
Total depreciation expense - business-type activities	<u>\$ 11,631,078</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Chehaw Park Authority

Activity for Chehaw Park Authority for the fiscal year ended June 30, 2016, was as follows:

Capital assets not being depreciated:

Land	\$ 1,283,104	\$ -	\$ -	\$ -	\$ 1,283,104
Construction in progress	1,108,884	143,698	-	-	1,252,582
Total assets not depreciated	<u>2,391,988</u>	<u>143,698</u>	<u>-</u>	<u>-</u>	<u>2,535,686</u>

Capital assets being depreciated:

Buildings and improvements	10,401,305	8,991	-	-	10,410,296
Equipment and vehicles	861,006	6,433	-	-	867,439
Total assets depreciated	<u>11,262,311</u>	<u>15,424</u>	<u>-</u>	<u>-</u>	<u>11,277,735</u>

Less accumulated depreciation:

Buildings and improvements	(4,012,654)	(257,799)	-	-	(4,270,453)
Equipment and vehicles	(729,389)	(79,014)	-	-	(808,403)
Total accumulated depreciation	<u>(4,742,043)</u>	<u>(336,813)</u>	<u>-</u>	<u>-</u>	<u>(5,078,856)</u>
Total assets depreciated, net	<u>6,520,268</u>	<u>(321,389)</u>	<u>-</u>	<u>-</u>	<u>6,198,879</u>
Chehaw Park Authority assets, net	<u>\$ 8,912,256</u>	<u>\$ (177,691)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,734,565</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the fiscal year ended June 30, 2016:

	Balance, June 30, 2015	Additions	Reductions	Balance, June 30, 2016	Due Within One Year
Governmental activities					
General obligation bonds	\$ 11,990,000	\$ -	\$ 4,965,000	\$ 7,025,000	\$ 4,915,000
Add deferred amounts					
Unamortized premium	286,044	-	191,071	94,973	-
Total bonds payable	12,276,044	-	5,156,071	7,119,973	4,915,000
Notes payable	3,000,000	-	675,000	2,325,000	300,000
Certificates of participation	10,000,000	-	-	10,000,000	-
OPEB liability	4,773,786	650,790	-	5,424,576	-
Compensated absences	2,953,670	3,014,110	2,669,825	3,297,955	2,968,159
Net pension liability	32,063,527	8,306,524	-	40,370,051	-
Governmental activity long-term liabilities	<u>\$ 65,067,027</u>	<u>\$ 11,971,424</u>	<u>\$ 8,500,896</u>	<u>\$ 68,537,555</u>	<u>\$ 8,183,159</u>
Business-type activities					
Revenue bonds	\$ 26,810,000	\$ -	\$ 4,455,000	\$ 22,355,000	\$ 4,635,000
Add deferred amounts					
Unamortized premium	70,135	-	23,479	46,656	-
Total bonds payable	26,880,135	-	4,478,479	22,401,656	4,635,000
Capital lease payable	-	-	-	-	-
Notes payable	-	1,412,533	-	1,412,533	-
Manufactured gas plant liability	1,348,581	-	49,716	1,298,865	-
Compensated absences	2,102,348	2,097,863	1,892,365	2,307,846	2,074,814
Net pension liability	18,628,856	1,828,204	-	20,457,060	-
Business-type activity long-term liabilities	<u>\$ 48,959,920</u>	<u>\$ 5,338,600</u>	<u>\$ 6,420,560</u>	<u>\$ 47,877,960</u>	<u>\$ 6,709,814</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The government-wide statement of net position includes \$4,635,000 of bonds payable due within one year for business-type activities in liabilities payable from restricted assets. The remaining amount of \$19,179,189 is displayed as bonds payable, due in more than one year, on that same statement.

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

Governmental Activities Debt

Notes Payable

The U.S. Department of Housing and Urban Development has issued to the City, two (2) Section 108 Guaranteed Loans for the purpose of providing subordinated debt financing for the development of the Albany Hilton Garden Inn Hotel and Conference Center. The City's Section 108 Guaranteed Loans outstanding at June 30, 2016, are as follows:

	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2016</u>
HUD Section 108 Loan, B-02-MC-13-0001	\$ 5,500,000	2.00% - 5.00%	\$ 2,200,000
HUD Section 108 Loan, B-99-MC-13-0001	500,000	2.00% - 5.00%	125,000
Total			<u>\$ 2,325,000</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Governmental Activities Debt (Continued)

Notes Payable (Continued)

Notes payable debt service requirements to maturity, including interest of \$535,188, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 300,000	\$ 126,515	\$ 426,515
2018	300,000	109,693	409,693
2019	300,000	92,576	392,576
2020	300,000	75,212	375,212
2021	300,000	57,657	357,657
2022 - 2026	825,000	73,535	898,535
	<u>\$ 2,325,000</u>	<u>\$ 535,188</u>	<u>\$ 2,860,188</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Governmental Activities Debt (Continued)

Certificates of Participation

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

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ -	\$ 475,000	\$ 475,000
2018	-	475,000	475,000
2019	-	475,000	475,000
2020	-	475,000	475,000
2021	-	475,000	475,000
2022 - 2026	-	2,375,000	2,375,000
2027 - 2028	10,000,000	950,000	10,950,000
	<u>\$ 10,000,000</u>	<u>\$ 5,700,000</u>	<u>\$ 15,700,000</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Governmental Activities Debt (Continued)

Certificates of Participation (Continued)

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

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Governmental Activities Debt (Continued)

Certificates of Participation (Continued)

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa1 by Moody's. At June 30, 2016, the floating rate being paid by the City is 0.41%, and the market value of this agreement is \$3,719,152, an increase of \$992,590 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2016 based on the derivative contract.

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

General Obligation Bonds

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

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Governmental Activities Debt (Continued)

General Obligation Bonds (Continued)

General obligation bonds outstanding at June 30, 2016, are as follows:

	<u>Interest Rates</u>	<u>Balance June 30, 2016</u>
2012 ADICA Refunding Revenue Issue	2.00% - 3.125%	\$ 2,380,000
2012 General Obligation Sales Tax Issue	2.00% - 3.000%	4,645,000
		<u>7,025,000</u>
Add: Unamortized premium		94,973
		<u><u>\$ 7,119,973</u></u>

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

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

During the fiscal year ended June 30, 2012, the City issued bonds through the Albany-Dougherty Inner City Authority (ADICA) in the amount of \$3,440,000. The bonds bear interest ranging from 2% to 3.125% with final maturity in 2024.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Governmental Activities Debt (Continued)

General Obligation Bonds (Continued)

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

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

The difference between the requisition price and the net carrying amount of the old debt amounted to \$181,366. The advance refunding charge was deferred and is being amortized over the shorter life of the new debt as a component of interest expense. At June 30, 2016, the unamortized balance was \$94,902.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Governmental Activities Debt (Continued)

General Obligation Bonds (Continued)

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Governmental Activities Debt (Continued)

General Obligation Bonds (Continued)

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

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 4,915,000	\$ 201,018	\$ 5,116,018
2018	280,000	55,593	335,593
2019	280,000	49,293	329,293
2020	290,000	42,993	332,993
2021	300,000	36,468	336,468
2022 - 2024	960,000	58,819	1,018,819
	<u>7,025,000</u>	<u>\$ 444,184</u>	<u>\$ 7,469,184</u>
Add: Unamortized premium	94,973		
	<u>\$ 7,119,973</u>		

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Business-type Activities Debt

Revenue Bonds

The City also issues revenue bonds where the City pledges sanitary sewer and water revenues derived from acquired or constructed assets to pay for operations of the related activity and debt service. These revenues are pledged for to satisfy the debt service of the related obligation for the length of the outstanding balance. Revenue bonds have been issued for business-like activities and are reported in the business-type column of the government-wide statements. Principal and interest are payable from enterprise fund revenue. Revenue bonds outstanding at June 30, 2016, are as follows:

	<u>Interest Rates</u>	<u>Balance June 30, 2016</u>
2007 Sewerage System Revenue Bonds	4.00% - 5.00%	\$ 10,415,000
2011 Sewerage System Revenue Bonds	3.39%	4,225,000
2005 Water Revenue Bonds	3.97%	4,565,000
2010 Water Revenue Bonds	2.00% - 4.00%	3,150,000
		<u>22,355,000</u>
Add: Unamortized premium		46,656
		<u><u>\$ 22,401,656</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Business-type Activities Debt (Continued)

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

On April 17, 2007, the City issued \$27,745,000 in Sewerage System Revenue Bonds, Series 2007 with interest rates between 4% and 5%. The City issued the bonds for the purpose of 1) current refunding of \$30,040,000 outstanding Sewerage System Revenue Bonds, Series 1997 maturing on and after July 1, 2008, 2) purchasing a surety bond for the reserve account and a bond insurance policy and 3) paying the cost of issuing the Series 2007 bonds. The City used the net proceeds from the issuance of the revenue bonds to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 1997 issue were called.

The difference between the requisition price and the net carrying amount of the old debt amounted to \$641,133. The advance refunding charge was deferred and is being amortized over the shorter life of the new debt as a component of interest expense. At June 30, 2016, the unamortized balance was \$71,789.

Interest expense related to the Series 2007 Bonds for the year ended June 30, 2016, was \$494,800. All interest incurred was expensed.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Business-type Activities Debt (Continued)

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

The difference between the requisition price and the net carrying amount of the old debt amounted to \$591,331. The advance refunding charge was deferred and is being amortized over the shorter life of the new debt as a component of interest expense. At June 30, 2016, the unamortized balance was \$164,091.

Interest expense related to the Series 2011 Bonds for the year ended June 30, 2016, was \$143,228. All interest incurred was expensed.

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Business-type Activities Debt (Continued)

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

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

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

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 4,635,000	\$ 849,507	\$ 5,484,507
2018	4,800,000	656,493	5,456,493
2019	4,660,000	445,630	5,105,630
2020	3,780,000	255,625	4,035,625
2021	1,185,000	147,707	1,332,707
2022 - 2026	3,295,000	272,392	3,567,392
	<u>22,355,000</u>	<u>\$ 2,627,354</u>	<u>\$ 24,982,354</u>
Add: Unamortized premium	46,656		
	<u>\$ 22,401,656</u>		

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Business-type Activities Debt (Continued)

Environmental Corrective Action Liability

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

The Georgia Environmental Protection Division approved the compliance status report and recommended corrective action to bring the Plant into compliance. During the fiscal year ended June 30, 2013, the City completed the requirements of the corrective action plan and is currently awaiting review by the Georgia Environmental Protection Division. The total cost of this corrective action is anticipated to range from \$2,000,000 to \$10,000,000. Management believes a cost estimate of \$2,500,000 to be probable. This estimate is subject to revision due to price increases or reductions, changes in technology, or changes in applicable laws or regulations. During the year June 30, 2016, the City incurred costs of \$49,717, with total incurred costs to date of \$1,201,136. The liability has been reduced by these costs, resulting in a liability of \$1,298,864 recorded on the statement of net position as another long-term liability. The City has recovered approximately \$874,000 from insurance to offset the liability. Additional recovery amounts, if any, are unknown.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

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

Conduit Debt

From time to time, ADICA has issued revenue bonds to provide financial assistance to both private and public sector entities for the acquisition and construction of commercial facilities deemed to be of public interest. ADICA is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Four (4) series of bond issuances have occurred from November 1, 2003 to June 30, 2016, totaling \$86,601,505. The total amount of bonds outstanding at June 30, 2016 is \$77,822,857.

C. Component Unit – Chehaw Park Authority

Line of Credit

Chehaw Park Authority has entered into a line of credit agreement with a financial institution for financing the acquisition of a tractor. The summary of the debt activity for the fiscal year ended June 30, 2016 is as follows:

	<u>Balance, June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2016</u>	<u>Due Within One Year</u>
Line of credit	\$ 42,931	\$ 27,608	\$ 5,852	\$ 64,687	\$ -

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS

A. Defined Contribution Plan

The City of Albany maintains a defined contribution pension plan, the City of Albany Retirement Savings Plan ("the Savings Plan"), which was established by the City of Albany on January 1, 1998 to provide reasonable retirement security for its "Senior Management Employees". The plan is administered by Nationwide Retirement Solutions. At June 30, 2016, there were 10 active participants. The City is required to contribute 8.9% of each Plan participant's compensation. Plan participants may contribute 5% of their compensation. Plan provisions and contribution requirements are established by and may be amended by the City of Albany Board of Commissioners. For the year ended June 30, 2016, the City contributed \$62,100 and employees contributed \$1,015.

B. Defined Benefit Plan

Plan Description

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Plan Description (Continued)

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Plan Description (Continued)

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

Participant Data

Membership in the Plan as of June 30, 2015 is as follows:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Summary of Significant Accounting Policies

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

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

Contribution Requirements

The City's funding policy is to contribute a percentage of covered employee payroll as developed in the actuarial valuation for the Plan. Section 47-20 of the Georgia Code sets forth the funding standards for state and local government pension plans. Effective July 1, 2007, employees were required to make contributions to the Plan as follows: General Employees – 4% of annual covered payroll; Safety Employees – 7% of annual covered payroll. The participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at actuarially determined rates. The actuarial determined contribution amount is the sum of the annual normal cost (determined under the entry age normal method) and the amortization of the unfunded actuarial accrued liability as a level percentage of future payroll. Administrative costs of the Plan are financed through investment income. Actual contributions to the plan were \$6,776,623.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Net Pension Liability

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Net Pension Liability (Continued)

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Net Pension Liability (Continued)

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

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

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
City's Net Pension Liability	\$ 78,977,590	\$ 60,827,111	\$ 45,441,244

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Net Pension Liability (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2016 and the current sharing pattern of costs between employer and employee.

Changes in the net pension liability of the City - The changes in the components of the net pension liability of the City for the year ended June 30, 2015 were as follows:

	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension Liability (NPL)
Balances at June 30, 2014	\$ 169,373,602	\$ 118,681,219	\$ 50,692,383
Changes for the year:			
Service cost	2,012,167	-	2,012,167
Interest	14,016,505	-	14,016,505
Difference between expected and actual experience	3,271,492	-	3,271,492
Contributions - employer	-	4,413,592	(4,413,592)
Contributions - employee	-	2,270,553	(2,270,553)
Net investment income	-	2,471,086	(2,471,086)
Benefit payments, including refunds of employee contributions	(12,971,428)	(12,971,428)	-
Administrative expense	-	(28,956)	28,956
Other changes	-	39,161	(39,161)
Net changes	<u>6,328,736</u>	<u>(3,805,992)</u>	<u>10,134,728</u>
Balances and June 30, 2015	<u>\$ 175,702,338</u>	<u>\$ 114,875,227</u>	<u>\$ 60,827,111</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Net Pension Liability (Continued)

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

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

For the year ended June 30, 2016, the City recognized pension expense of \$2,917,681. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 349,320
Difference in projected and actual experience	2,595,564	-
City contributions subsequent to the measurement date	6,744,521	-
Total	<u>\$ 9,340,085</u>	<u>\$ 349,320</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

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

City contributions subsequent to the measurement date of \$6,744,521 for the Plan are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2016	\$ 69,590
2017	69,590
2018	69,590
2019	2,037,474

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2016, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Community Development Fund	\$ 93,238
General Fund	Nonmajor Governmental Funds	1,249,713
General Fund	Sanitary Sewer Fund	2,587,932
General Fund	Airport Fund	111,721
General Fund	Water Fund	849,558
General Fund	Light Fund	2,693,628
General Fund	Storm Water Fund	189,256
General Fund	Nonmajor Enterprise Funds	4,674,287
General Fund	Internal Service Fund - Public Employee Deposit	23,325
Job Investment Fund	General Fund	1,469,000
Nonmajor Governmental Funds	General Fund	35,970
Nonmajor Governmental Funds	Nonmajor Enterprise Funds	328,683
Internal Service Fund - Utility	General Fund	1,324,671
Internal Service Fund - R3M	General Fund	1,000,000
		<u>\$ 16,630,982</u>

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

NOTES TO FINANCIAL STATEMENTS

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

Advances to/from other funds result from the use of Public Improvement Fund lease pool proceeds by other funds for capital outlay and the repayment of these funds to the Public Improvement Fund over several years. The composition of advances to/from other funds at June 30, 2016 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	Light Fund	\$ 71,942
		<u>\$ 71,942</u>

Due to/from primary government and component units:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Chehaw Park Authority	\$ 78,000
		<u>\$ 78,000</u>

NOTES TO FINANCIAL STATEMENTS

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

The composition of interfund transfers during the fiscal year ended June 30, 2016, were as follows:

Transfers Out	Transfers In						Total
	General Fund	Job Investment Fund	Nonmajor Governmental Funds	Airport Fund	Storm Water Fund	Nonmajor Enterprise Fund	
General Fund	\$ -	\$ -	\$ 3,469,729	\$ 914,436	\$ -	\$ 2,755,053	\$ 9,139,218
Nonmajor Governmental Funds	1,270,859	-	-	-	-	-	1,270,859
Sanitary Sewer Fund	766,029	-	-	-	1,256,779	-	2,022,808
Airport Fund	8,669	-	-	-	-	-	8,669
Water Fund	974,117	-	-	-	-	-	974,117
Light Fund	11,985,228	2,537,842	-	-	-	-	14,523,070
Nonmajor Enterprise Funds	3,005,662	-	-	-	-	-	3,005,662
Total	<u>\$ 18,010,564</u>	<u>\$ 2,537,842</u>	<u>\$ 3,469,729</u>	<u>\$ 914,436</u>	<u>\$ 1,256,779</u>	<u>\$ 2,755,053</u>	<u>\$ 30,944,403</u>

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

NOTE 9. CONTINGENT LIABILITIES

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. CONTINGENT LIABILITIES (CONTINUED)

The City is contingently liable for a \$1,800,000 loan from a local financial institution to the Payroll Development Authority. The outstanding balance of this loan at June 30, 2016, is \$949,159.

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

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

As of June 30, 2016, the City is obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by MEAG. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, the participants have guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to \$73,588,624 in 2016.

At June 30, 2016, the outstanding debt of MEAG was approximately \$5.0 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$438 million at June 30, 2016.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT

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

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

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

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Unpaid claims, beginning of year	\$ 921,808	\$ 764,584
Incurred claims and changes in estimates	790,013	1,524,517
Claim payments	(704,221)	(1,367,293)
Unpaid claims, end of year	<u>\$ 1,007,600</u>	<u>\$ 921,808</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT (CONTINUED)

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

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

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Unpaid claims, beginning of year	\$ 740,000	\$ 895,000
Incurred claims and changes in estimates	8,264,570	10,392,282
Claim payments	(8,499,570)	(10,547,282)
Unpaid claims, end of year	<u>\$ 505,000</u>	<u>\$ 740,000</u>

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:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Unpaid claims, beginning of year	\$ 1,422,750	\$ 1,653,174
Incurred claims and changes in estimates	1,354,541	1,093,976
Claim payments	(1,711,791)	(1,324,400)
Unpaid claims, end of year	<u>\$ 1,065,500</u>	<u>\$ 1,422,750</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT (CONTINUED)

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

NOTE 11. RELATED ORGANIZATION

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

NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied an 8% lodging tax. Of this percentage, 3.5% is allocated each year to the Chamber of Commerce for use in the promotion of the City. For the fiscal year ended June 30, 2016, \$1,994,981 of hotel/motel tax was collected, and \$725,000, or 42% of the amount collected, was remitted to the Chamber of Commerce. The remaining balance was used by the City for the promotion of tourism.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the eight-county west central Georgia area, is a member of the Southwest Georgia Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2016, the City paid \$45,741 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

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

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

NOTES TO FINANCIAL STATEMENTS

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Plan Description (Continued)

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

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

The General Fund pays the total monthly cost of post-retirement coverage, but is reimbursed for that portion of the premium deemed to be the retired employee's share. For the year ended June 30, 2016, the General Fund's net share of the premiums paid for its 631 retired employees and 68 retired employee's spouses/dependents was \$1,166,966. There were no significant changes in the coverage provided.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Plan Description (Continued)

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

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

The City contributed \$1,166,966 to the OPEB Plan in the year ended June 30, 2016. The annual required contribution amount is determined using actuarial methods and assumptions approved by the City Commission. The City Commission establishes and may amend the funding policy for the OPEB Plan. The calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan member to that point. The other post-employment benefit obligation is liquidated by the General Fund.

Annual required employer contribution	\$ 1,809,222
Interest on net OPEB obligation	190,951
Adjustment to annual required contribution	<u>(182,418)</u>
Annual OPEB cost	1,817,755
Employer contributions for the period ended June 30, 2016	<u>1,166,966</u>
Increase in net OPEB obligation	650,789
Net OPEB obligation beginning of year	4,773,786
Net OPEB obligation end of year	<u>\$ 5,424,575</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Trend Information

TREND INFORMATION

Fiscal Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2009	\$ 1,131,237	56%	\$ 497,987
6/30/2010	1,132,127	54%	1,023,295
6/30/2011	1,218,630	43%	1,721,941
6/30/2012	1,672,029	42%	2,693,616
6/30/2013	1,673,766	61%	3,349,544
6/30/2014	1,815,210	59%	4,100,951
6/30/2015	1,816,552	63%	4,773,786
6/30/2016	1,817,755	64%	5,424,575

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	2015	2014
Total Pension Liability - Beginning of Year	\$ 169,373,602	\$ 165,074,003
Service Cost	2,012,167	2,215,323
Interest on the Total Pension Liability	14,016,505	13,724,868
Changes of Benefit Terms	-	-
Difference between Expected and Actual Experience	3,271,492	-
Changes of Assumptions	-	-
Benefit Payments	(12,142,282)	(11,114,494)
Refunds of Contributions	(829,146)	(526,098)
Net Change in Total Pension Liability	6,328,736	4,299,599
(a) Total Pension Liability - End of Year	175,702,338	169,373,602
Plan Fiduciary Net Position - Beginning of Year	118,681,219	104,280,508
Contributions - Employer	4,413,592	4,714,664
Contributions - Employee	2,270,553	2,332,768
Net Investment Income	2,471,086	19,395,817
Benefit Payments	(12,971,428)	(11,990,923)
Administrative Expenses	(28,956)	(51,615)
Other	39,161	-
Net Change in Plan Fiduciary Net Position	(3,805,992)	14,400,711
(b) Plan Fiduciary Net Position - End of Year	114,875,227	118,681,219
City's Net Pension Liability (a) - (b)	60,827,111	50,692,383
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.38%	70.07%
Covered-Employee Payroll	44,376,707	43,658,122
Net Pension Liability as a Percentage of the Covered-Employee Payroll	137.07%	116.11%

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

REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT PENSION PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS

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

Notes to the Schedule of Employer Contributions

Methods and Assumptions for Actuarially Determined Contribution:

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

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

REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT PENSION PLAN SCHEDULE OF INVESTMENT RETURNS

Fiscal Year	Money-Weighted Rate of Return
2015	2.13%
2014	18.60%

REQUIRED SUPPLEMENTARY INFORMATION

OTHER POST-EMPLOYMENT BENEFIT PLAN SCHEDULE OF FUNDING PROGRESS

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	-	\$ 42,570,855	39%
7/1/2010	-	17,064,694	17,064,694	-	44,078,327	39%
7/1/2012	-	25,928,078	25,928,078	-	46,905,285	55%
7/1/2013	-	26,535,955	26,535,955	-	44,663,159	59%
7/1/2015	-	21,906,066	21,906,066	-	41,045,764	53%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30	Annual OPEB Cost	Percentage of ARC Contributed
2011	\$ 1,218,630	42.7 %
2012	1,672,029	41.9
2013	1,673,766	60.8
2014	1,815,210	58.6
2015	1,816,552	63.0

CITY OF ALBANY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

Hotel/Motel Tax Fund

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

Grant Fund

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

ARRA Fund

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

Computer Aided Dispatch Fund

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

ADICA

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

Gortatowsky Fund

- To account for resources provided by the estate of Henry Gortatowsky which are to be used to maintain the Government Center Fountain.

Tax Allocation District Fund

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

Capital Projects Funds:

Public Improvement Fund

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

CITY OF ALBANY, GEORGIA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2016

ASSETS	Special Revenue Funds							Capital Projects Fund	Total
	Hotel/ Motel Tax	Grant Fund	ARRA Fund	Computer Aided Dispatch	ADICA	Gortatowsky Fund	Tax Allocation District Fund	Public Improvement Fund	
Cash	\$ -	\$ 48,754	\$ 1,000	\$ 40,153	\$ 691,247	\$ -	\$ -	\$ 332,719	\$ 1,113,873
Investments	-	-	-	-	-	50,696	-	16,635,016	16,685,712
Receivables, net of allowance:									
Taxes	-	-	-	-	-	-	3,672	-	3,672
Accounts	176,959	-	-	176,110	25,000	-	-	-	378,069
Due from other funds	-	-	-	-	-	-	-	364,653	364,653
Due from other governments	-	156,178	-	-	-	-	-	-	156,178
Advance to other funds	-	-	-	-	-	-	-	71,942	71,942
Total assets	\$ 176,959	\$ 204,932	\$ 1,000	\$ 216,263	\$ 716,247	\$ 50,696	\$ 3,672	\$ 17,404,330	\$ 18,774,099
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ -	\$ 16,797	\$ -	\$ 19,968	\$ -	\$ -	\$ -	\$ 113,987	\$ 150,752
Due to other funds	176,959	141,381	1,000	196,295	-	-	626,165	107,913	1,249,713
Deferred revenues	-	46,754	-	-	-	-	-	13,454	60,208
Total liabilities	176,959	204,932	1,000	216,263	-	-	626,165	235,354	1,460,673
FUND BALANCES (DEFICIT)									
Restricted									
Gortatowsky endowment	-	-	-	-	-	50,696	-	-	50,696
Capital projects	-	-	-	-	454,475	-	-	8,465,238	8,919,713
Committed									
Advance to other funds	-	-	-	-	-	-	-	71,942	71,942
Inner city projects	-	-	-	-	261,772	-	-	-	261,772
Capital projects	-	-	-	-	-	-	-	8,631,796	8,631,796
Unassigned	-	-	-	-	-	-	(622,493)	-	(622,493)
Total fund balances (deficit)	-	-	-	-	716,247	50,696	(622,493)	17,168,976	17,313,426
Total liabilities and fund balances	\$ 176,959	\$ 204,932	\$ 1,000	\$ 216,263	\$ 716,247	\$ 50,696	\$ 3,672	\$ 17,404,330	\$ 18,774,099

CITY OF ALBANY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue Funds							Capital Projects Fund	
	Hotel/ Motel Tax	Grant Fund	ARRA Fund	Computer Aided Dispatch	ADICA	Gortatowsky Fund	Tax Allocation District Fund	Public Improvement Fund	Total
Revenues:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,763	\$ -	\$ 275,763
Other taxes	1,994,981	-	-	-	-	-	-	-	1,994,981
Intergovernmental	-	220,777	-	88,260	-	-	-	50,925	359,962
Charges for services	-	-	-	1,413,178	10,100	-	-	-	1,423,278
Other revenues:									
Investment income	-	-	-	26	552	878	-	710,082	711,538
Other income	-	-	-	4,518	998	-	-	-	5,516
Total revenues	1,994,981	220,777	-	1,505,982	11,650	878	275,763	761,007	4,771,038
Expenditures:									
Current:									
Public safety	-	20,453	-	2,065,366	-	-	-	-	2,085,819
Public works	-	28,820	-	-	-	-	-	-	28,820
Parks and recreation	-	14,542	-	-	-	17,759	-	-	32,301
Community development	725,000	209,213	7,877	-	388,893	-	219,950	-	1,550,933
Capital outlay	-	-	-	-	-	-	-	1,063,514	1,063,514
Debt service:									
Principal	-	-	-	-	375,000	-	265,000	-	640,000
Interest	-	-	-	-	-	-	67,009	520,452	587,461
Total expenditures	725,000	273,028	7,877	2,065,366	763,893	17,759	551,959	1,583,966	5,988,848
Excess (deficiency) of revenues over (under) expenditures	1,269,981	(52,251)	(7,877)	(559,384)	(752,243)	(16,881)	(276,196)	(822,959)	(1,217,810)
Other financing sources (uses):									
Transfers in	-	52,251	7,877	91,272	350,000	17,759	-	2,950,570	3,469,729
Transfers out	(1,269,981)	-	-	-	-	(878)	-	-	(1,270,859)
Total other financing sources (uses)	(1,269,981)	52,251	7,877	91,272	350,000	16,881	-	2,950,570	2,198,870
Net change in fund balances	-	-	-	(468,112)	(402,243)	-	(276,196)	2,127,611	981,060
Fund balances (deficit), beginning of year	-	-	-	468,112	1,118,490	50,696	(346,297)	15,041,365	16,332,366
Fund balances (deficit), end of year	\$ -	\$ -	\$ -	\$ -	\$ 716,247	\$ 50,696	\$ (622,493)	\$ 17,168,976	\$ 17,313,426

CITY OF ALBANY, GEORGIA

BUDGETARY COMPLIANCE

Special Revenue Funds

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

CITY OF ALBANY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP) BASIS AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue Funds					
	Hotel/Motel Tax Fund			Computer Aided Dispatch Fund		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
Revenues:						
Taxes	\$ 1,959,131	\$ 1,994,981	\$ 35,850	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	89,000	88,260	(740)
Charges for services	-	-	-	1,853,842	1,413,178	(440,664)
Investment income	-	-	-	37,750	26	(37,724)
Other income	-	-	-	4,200	4,518	318
Total revenues	<u>1,959,131</u>	<u>1,994,981</u>	<u>35,850</u>	<u>1,984,792</u>	<u>1,505,982</u>	<u>(478,810)</u>
Expenditures:						
Current:						
Public safety	-	-	-	2,570,597	2,065,366	505,231
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Community development	725,000	725,000	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>725,000</u>	<u>725,000</u>	<u>-</u>	<u>2,570,597</u>	<u>2,065,366</u>	<u>505,231</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,234,131</u>	<u>1,269,981</u>	<u>35,850</u>	<u>(585,805)</u>	<u>(559,384)</u>	<u>26,421</u>
Other financing sources (uses):						
Transfers in	-	-	-	652,126	91,272	(560,854)
Transfers out	(1,234,131)	(1,269,981)	35,850	-	-	-
Total other financing sources (uses)	<u>(1,234,131)</u>	<u>(1,269,981)</u>	<u>35,850</u>	<u>652,126</u>	<u>91,272</u>	<u>(560,854)</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 66,321</u>	<u>(468,112)</u>	<u>\$ (534,433)</u>
Fund balances (deficit), beginning of year		<u>-</u>			<u>468,112</u>	
Fund balances (deficit), end of year		<u>\$ -</u>			<u>\$ -</u>	

(Continued)

CITY OF ALBANY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP) BASIS AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue Funds					
	Grant Fund			ARRA Fund		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	317,668	220,777	(96,891)	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenues	<u>317,668</u>	<u>220,777</u>	<u>(96,891)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:						
Current:						
Public safety	84,527	20,453	64,074	-	-	-
Public works	28,820	28,820	-	-	-	-
Parks and recreation	-	14,542	(14,542)	-	-	-
Community development	204,781	209,213	(4,432)	-	7,877	(7,877)
Debt service	-	-	-	-	-	-
Total expenditures	<u>318,128</u>	<u>273,028</u>	<u>45,100</u>	<u>-</u>	<u>7,877</u>	<u>(7,877)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(460)</u>	<u>(52,251)</u>	<u>(51,791)</u>	<u>-</u>	<u>(7,877)</u>	<u>(7,877)</u>
Other financing sources (uses):						
Transfers in	-	52,251	52,251	-	7,877	7,877
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>52,251</u>	<u>52,251</u>	<u>-</u>	<u>7,877</u>	<u>7,877</u>
Net change in fund balances	<u>\$ (460)</u>	<u>-</u>	<u>\$ 460</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances (deficit), beginning of year		<u>-</u>			<u>-</u>	
Fund balances (deficit), end of year		<u>\$ -</u>			<u>\$ -</u>	

(Continued)

CITY OF ALBANY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP) BASIS AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue Funds					
	Tax Allocation District Fund			Gortatowsky Fund		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
Revenues:						
Taxes	\$ 285,518	\$ 275,763	\$ (9,755)	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	1,000	878	(122)
Other income	269,732	-	(269,732)	-	-	-
Total revenues	<u>555,250</u>	<u>275,763</u>	<u>(279,487)</u>	<u>1,000</u>	<u>878</u>	<u>(122)</u>
Expenditures:						
Current:						
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	17,759	(17,759)
Community development	219,000	219,950	(950)	-	-	-
Debt service	<u>336,250</u>	<u>332,009</u>	<u>4,241</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>555,250</u>	<u>551,959</u>	<u>3,291</u>	<u>-</u>	<u>17,759</u>	<u>(17,759)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(276,196)</u>	<u>(276,196)</u>	<u>1,000</u>	<u>(16,881)</u>	<u>(17,881)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	17,759	17,759
Transfers out	-	-	-	(1,000)	(878)	122
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>16,881</u>	<u>17,881</u>
Net change in fund balances	<u>\$ -</u>	<u>(276,196)</u>	<u>\$ (276,196)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances (deficit), beginning of year		<u>(346,297)</u>			<u>50,696</u>	
Fund balances (deficit), end of year		<u>\$ (622,493)</u>			<u>\$ 50,696</u>	

(Continued)

CITY OF ALBANY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET (GAAP) BASIS AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue Fund		
	ADICA		
	Original and Final Budget	Actual	Variance
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	1,500	10,100	8,600
Investment income	120	552	432
Other income	-	998	998
Total revenues	1,620	11,650	10,030
Expenditures:			
Current:			
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Community development	351,620	388,893	(37,273)
Debt service	-	375,000	(375,000)
Total expenditures	351,620	763,893	(412,273)
Excess (deficiency) of revenues over (under) expenditures	(350,000)	(752,243)	(402,243)
Other financing sources:			
Transfers in	350,000	350,000	-
Transfers out	-	-	-
Total other financing sources	350,000	350,000	-
Net change in fund balances	\$ -	(402,243)	\$ (402,243)
Fund balances (deficit), beginning of year		1,118,490	
Fund balances (deficit), end of year		\$ 716,247	

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 and the City's municipal auditorium. All activities necessary to provide such services are accounted for in this fund.

Solid Waste Fund

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

Gas Fund

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

Telecommunications Fund

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

CITY OF ALBANY, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2016

	Transit Fund	Civic Center Fund	Solid Waste Fund	Gas Fund	Telecommunications Fund	Totals
ASSETS						
CURRENT ASSETS						
Cash	\$ -	\$ 7,305	\$ 1,429,022	\$ 1,979,509	\$ 168,474	\$ 3,584,310
Investments	-	-	1,388,770	2,000,000	-	3,388,770
Accounts receivable, net of allowances	-	11,996	1,282,727	1,203,512	106,257	2,604,492
Inventories	225,507	-	-	165,391	367,959	758,857
Due from other governments	1,458,283	-	-	-	-	1,458,283
Total current assets	<u>1,683,790</u>	<u>19,301</u>	<u>4,100,519</u>	<u>5,348,412</u>	<u>642,690</u>	<u>11,794,712</u>
NONCURRENT ASSETS						
Capital assets						
Non-depreciable	1,095,056	2,849,761	907,035	429,099	960,426	6,241,377
Depreciable, net of accumulated depreciation	<u>3,220,625</u>	<u>7,695,278</u>	<u>2,494,356</u>	<u>3,149,775</u>	<u>5,776,666</u>	<u>22,336,700</u>
Total noncurrent assets	<u>4,315,681</u>	<u>10,545,039</u>	<u>3,401,391</u>	<u>3,578,874</u>	<u>6,737,092</u>	<u>28,578,077</u>
Total assets	<u>5,999,471</u>	<u>10,564,340</u>	<u>7,501,910</u>	<u>8,927,286</u>	<u>7,379,782</u>	<u>40,372,789</u>
DEFERRED OUTFLOWS OF RESOURCES						
Differences between expected and actual experience of economic/demographic (gains)/losses	102,151	32,503	69,648	34,824	11,608	250,734
City contributions subsequent to the measurement date	<u>265,437</u>	<u>84,457</u>	<u>180,980</u>	<u>90,490</u>	<u>30,163</u>	<u>651,527</u>
Total deferred outflows of resources	<u>367,588</u>	<u>116,960</u>	<u>250,628</u>	<u>125,314</u>	<u>41,771</u>	<u>902,261</u>

(Continued)

CITY OF ALBANY, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2016

	Transit Fund	Civic Center Fund	Solid Waste Fund	Gas Fund	Telecommunications Fund	Totals
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	\$ 23,814	\$ 84,469	\$ 294,839	\$ 526,903	\$ 10,691	\$ 940,716
Current portion - compensated absences	133,433	34,490	172,235	89,453	7,023	436,634
Due to other funds	1,458,283	-	560,486	606,319	2,377,882	5,002,970
Advanced payments and customer deposits	-	23,259	-	-	-	23,259
Unearned revenue	56,183	-	-	-	-	56,183
Total current liabilities	1,671,713	142,218	1,027,560	1,222,675	2,395,596	6,459,762
LONG-TERM LIABILITIES						
Compensated absences, net of current portion	14,826	3,832	19,137	9,939	780	48,514
Other long-term liabilities	-	-	-	1,298,865	-	1,298,865
Net pension liability	2,393,911	761,699	1,632,212	816,106	272,035	5,875,963
Total long-term liabilities	2,408,737	765,531	1,651,349	2,124,910	272,815	7,223,342
Total liabilities	4,080,450	907,749	2,678,909	3,347,585	2,668,411	13,683,104
DEFERRED INFLOWS OF RESOURCES						
Net difference between projected and actual earnings on pension plan investments	13,748	4,374	9,374	4,687	1,562	33,745
Total deferred inflows of resources	13,748	4,374	9,374	4,687	1,562	33,745
NET POSITION						
Investment in capital assets	4,315,681	10,545,039	3,401,391	3,578,874	6,737,092	28,578,077
Unrestricted (deficit)	(2,042,820)	(775,862)	1,662,864	2,121,454	(1,985,512)	(1,019,876)
Total net position	\$ 2,272,861	\$ 9,769,177	\$ 5,064,255	\$ 5,700,328	\$ 4,751,580	\$ 27,558,201

CITY OF ALBANY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Transit Fund	Civic Center Fund	Solid Waste Fund	Gas Fund	Telecommunications Fund	Totals
Operating revenues:						
Charges for services	\$ 522,454	\$ 315,437	\$ 9,647,030	\$ 14,780,198	\$ 2,254,568	\$ 27,519,687
Other	-	-	52	683,712	-	683,764
Total operating revenues	522,454	315,437	9,647,082	15,463,910	2,254,568	28,203,451
Operating expenses:						
Personnel costs	2,068,426	285,580	1,964,988	986,655	314,753	5,620,402
Supplies	41,196	227,664	85,509	144,539	170,850	669,758
Operating services and charges	884,643	757,261	5,927,633	10,084,141	2,028,978	19,682,656
Maintenance and repairs	442,298	98,530	597,207	31,038	5,374	1,174,447
Depreciation	454,453	486,447	461,676	227,737	457,442	2,087,755
Total operating expenses	3,891,016	1,855,482	9,037,013	11,474,110	2,977,397	29,235,018
Operating income (loss)	(3,368,562)	(1,540,045)	610,069	3,989,800	(722,829)	(1,031,567)
Nonoperating revenues (expenses):						
Investment income	-	-	26,311	-	86	26,397
Intergovernmental - operating grants	1,239,904	-	-	-	-	1,239,904
Gain (loss) on sale of assets	(31,934)	-	30,742	4,061	(310,909)	(308,040)
Total nonoperating revenues (expenses)	1,207,970	-	57,053	4,061	(310,823)	958,261
Income (loss) before capital contributions and transfers	(2,160,592)	(1,540,045)	667,122	3,993,861	(1,033,652)	(73,306)
Capital contributions						
Intergovernmental - capital grants	671,953	-	-	-	-	671,953
Other capital contributions	815,928	9,871	-	-	-	825,799
Total capital contributions	1,487,881	9,871	-	-	-	1,497,752
Transfers						
Transfers in	1,382,837	1,372,216	-	-	-	2,755,053
Transfers out	-	-	(445,400)	(2,364,793)	(195,469)	(3,005,662)
Total transfers	1,382,837	1,372,216	(445,400)	(2,364,793)	(195,469)	(250,609)
Change in net position	710,126	(157,958)	221,722	1,629,068	(1,229,121)	1,173,837
Total net position, beginning of year	1,562,735	9,927,135	4,842,533	4,071,260	5,980,701	26,384,364
Total net position, end of year	\$ 2,272,861	\$ 9,769,177	\$ 5,064,255	\$ 5,700,328	\$ 4,751,580	\$ 27,558,201

CITY OF ALBANY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Transit Fund	Civic Center Fund	Solid Waste Fund	Gas Fund	Telecommunications Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 522,454	\$ 320,474	\$ 9,672,132	\$ 15,577,847	\$ 2,848,045	\$ 28,940,952
Payments to suppliers	(1,376,408)	(1,393,296)	(7,331,359)	(9,626,811)	(1,414,970)	(21,142,844)
Payments to employees	(2,327,251)	(280,465)	(1,911,058)	(1,019,981)	(389,792)	(5,928,547)
Net cash provided by (used in) operating activities	(3,181,205)	(1,353,287)	429,715	4,931,055	1,043,283	1,869,561
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	1,382,837	1,372,216	-	-	4,675	2,759,728
Transfers out	-	-	(445,400)	(2,364,793)	(195,469)	(3,005,662)
Operating grants received	1,239,904	-	-	-	-	1,239,904
Payments for environmental remediation obligations	-	-	-	(49,716)	-	(49,716)
Net cash provided by (used in) noncapital financing activities	2,622,741	1,372,216	(445,400)	(2,414,509)	(190,794)	944,254
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(114,400)	(19,624)	(1,217,194)	(529,750)	(1,025,496)	(2,906,464)
Advance to other funds	-	-	(328,682)	-	-	(328,682)
Proceeds from sale of capital assets	911	-	78,742	4,061	-	83,714
Capital grants received	671,953	-	-	-	-	671,953
Net cash provided by (used in) capital and related financing activities	558,464	(19,624)	(1,467,134)	(525,689)	(1,025,496)	(2,479,479)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales of investments	-	-	(354,728)	-	-	(354,728)
Purchase of investments	-	-	331,062	(2,000,000)	-	(1,668,938)
Interest on investments	-	-	26,311	-	86	26,397
Net cash provided by (used in) investing activities	-	-	2,645	(2,000,000)	86	(1,997,269)

(Continued)

CITY OF ALBANY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Transit Fund	Civic Center Fund	Solid Waste Fund	Gas Fund	Telecommunications Fund	Totals
Decrease in cash and cash equivalents	\$ -	\$ (695)	\$ (1,480,174)	\$ (9,143)	\$ (172,921)	\$ (1,662,933)
Cash and cash equivalents:						
Beginning of year	-	8,000	2,909,196	1,988,652	341,395	5,247,243
End of year	<u>\$ -</u>	<u>\$ 7,305</u>	<u>\$ 1,429,022</u>	<u>\$ 1,979,509</u>	<u>\$ 168,474</u>	<u>\$ 3,584,310</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
Operating income (loss)	\$ (3,368,562)	\$ (1,540,045)	\$ 610,069	\$ 3,989,800	\$ (722,829)	\$ (1,031,567)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	454,453	486,447	461,676	227,737	457,442	2,087,755
Decrease in account receivable	-	169	25,050	113,937	593,477	732,633
(Increase) decrease in inventories	(8,271)	-	-	8,408	6,932	7,069
Decrease in due from other funds	-	-	-	51,885	-	51,885
Increase in due from other governments	(182,048)	-	-	-	-	(182,048)
(Increase) decrease in contributions subsequent to the measurement date	24,379	36,300	(7,090)	1,285	8,479	63,353
Increase in net difference between expected and actual experience of economic/demographic (gains)/loss	(102,151)	(32,503)	(69,648)	(34,824)	(11,608)	(250,734)
Increase (decrease) in accounts payable and other liabilities	2,593	5,115	50,272	(33,705)	(571,902)	(547,627)
Increase (decrease) in due to other funds	182,048	-	(727,416)	606,319	1,355,202	1,416,153
Increase in unearned revenues	-	4,868	-	-	-	4,868
Increase (decrease) in net pension liability	167,355	(166,033)	296,278	111,030	(24,839)	383,791
Decrease in net difference between projected and actual earnings on pension plan investments	(351,001)	(147,605)	(209,476)	(110,817)	(47,071)	(865,970)
Net cash provided by (used in) operating activities	<u>\$ (3,181,205)</u>	<u>\$ (1,353,287)</u>	<u>\$ 429,715</u>	<u>\$ 4,931,055</u>	<u>\$ 1,043,283</u>	<u>\$ 1,869,561</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Contributions of capital assets from governmental activities	\$ 815,928	\$ 9,871	\$ -	\$ -	\$ -	\$ 825,799
Contributions of capital assets (to) from other proprietary funds	-	-	-	-	(4,675)	(4,675)
Total noncash investing, capital and financing activities	<u>\$ 815,928</u>	<u>\$ 9,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,675)</u>	<u>\$ 821,124</u>

CITY OF ALBANY, GEORGIA

INTERNAL SERVICE FUNDS

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

CITY OF ALBANY, GEORGIA

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2016

	Self-Administered Insurance Fund	Public Employees' Deposit Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Totals
ASSETS						
CURRENT ASSETS						
Cash	\$ 804,711	\$ 2,300,218	\$ 535,388	\$ -	\$ 972,893	\$ 4,613,210
Investments	4,240,694	-	771,957	1,000,000	2,490,178	8,502,829
Accounts receivable	6,052	377,759	58,337	-	506,602	948,750
Due from other funds	-	-	-	1,000,000	1,324,671	2,324,671
	<u>5,051,457</u>	<u>2,677,977</u>	<u>1,365,682</u>	<u>2,000,000</u>	<u>5,294,344</u>	<u>16,389,460</u>
NONCURRENT ASSETS						
Capital assets						
Non-depreciable	-	-	-	-	1,496,905	1,496,905
Depreciable, net of accumulated depreciation	-	-	-	-	2,459,500	2,459,500
Total noncurrent assets	-	-	-	-	3,956,405	3,956,405
Total assets	<u>5,051,457</u>	<u>2,677,977</u>	<u>1,365,682</u>	<u>2,000,000</u>	<u>9,250,749</u>	<u>20,345,865</u>
DEFERRED OUTFLOWS OF RESOURCES						
Differences between expected and actual experience of economic/demographic (gains)/losses	-	2,322	-	-	250,734	253,056
City contributions subsequent to the measurement date	-	6,033	-	-	651,528	657,561
Total deferred outflows of resources	-	<u>8,355</u>	-	-	<u>902,262</u>	<u>910,617</u>

(Continued)

CITY OF ALBANY, GEORGIA

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2016

	Self-Administered Insurance Fund	Public Employees' Deposit Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Totals
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	\$ 150,098	\$ 317,505	\$ 63,109	\$ -	\$ 192,064	\$ 722,776
Accrued liabilities	-	-	-	-	471,566	471,566
Claims payable	1,065,500	505,000	1,007,600	-	-	2,578,100
Current portion - compensated absences	-	-	-	-	673,032	673,032
Due to other funds	-	23,325	-	-	-	23,325
Total current liabilities	<u>1,215,598</u>	<u>845,830</u>	<u>1,070,709</u>	<u>-</u>	<u>1,336,662</u>	<u>4,468,799</u>
NONCURRENT LIABILITIES						
Compensated absences, net of current portion	-	-	-	-	74,781	74,781
Customer deposits	-	-	-	-	2,485,648	2,485,648
Net pension liability	-	54,407	-	-	5,875,964	5,930,371
Total long-term liabilities	<u>-</u>	<u>54,407</u>	<u>-</u>	<u>-</u>	<u>8,436,393</u>	<u>8,490,800</u>
Total liabilities	<u>1,215,598</u>	<u>900,237</u>	<u>1,070,709</u>	<u>-</u>	<u>9,773,055</u>	<u>12,959,599</u>
DEFERRED INFLOWS OF RESOURCES						
Net difference between projected and actual earnings on pension plan investments	-	312	-	-	33,745	34,057
Total deferred inflows of resources	<u>-</u>	<u>312</u>	<u>-</u>	<u>-</u>	<u>33,745</u>	<u>34,057</u>
NET POSITION						
Investment in capital assets	-	-	-	-	3,956,405	3,956,405
Unrestricted (deficit)	<u>3,835,859</u>	<u>1,785,783</u>	<u>294,973</u>	<u>2,000,000</u>	<u>(3,610,194)</u>	<u>4,306,421</u>
Total net position	<u>\$ 3,835,859</u>	<u>\$ 1,785,783</u>	<u>\$ 294,973</u>	<u>\$ 2,000,000</u>	<u>\$ 346,211</u>	<u>\$ 8,262,826</u>

CITY OF ALBANY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Self-Administered Insurance Fund	Public Employees' Deposit Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Totals
Operating revenues:						
Charges for services	\$ 2,455,957	\$ 13,126,046	\$ 1,482,725	\$ -	\$ 13,788,075	\$ 30,852,803
Other	3,163	-	110,226	-	-	113,389
Total operating revenues	2,459,120	13,126,046	1,592,951	-	13,788,075	30,966,192
Operating expenses:						
Personnel costs	-	69,414	-	-	6,469,321	6,538,735
General and administrative	532,323	3,466,690	513,747	-	-	4,512,760
Supplies	-	-	-	-	425,270	425,270
Operating services and charges	-	-	-	-	3,370,962	3,370,962
Maintenance and repairs	-	-	-	-	230,065	230,065
Depreciation and amortization	-	-	-	-	870,391	870,391
Claims and damages	1,354,541	8,264,570	790,013	-	-	10,409,124
Total operating expenses	1,886,864	11,800,674	1,303,760	-	11,366,009	26,357,307
Operating income	572,256	1,325,372	289,191	-	2,422,066	4,608,885
Nonoperating revenues (expenses):						
Investment income	75,881	-	8,388	-	12,366	96,635
Loss on sale of assets	-	-	-	-	(401,144)	(401,144)
Total nonoperating revenues (expenses)	75,881	-	8,388	-	(388,778)	(304,509)
Income before capital contributions and transfers	648,137	1,325,372	297,579	-	2,033,288	4,304,376
Capital contributions						
Other capital contributions	-	-	-	-	195,388	195,388
Total capital contributions	-	-	-	-	195,388	195,388
Transfers						
Transfers in	-	-	-	2,000,000	-	2,000,000
Total transfers	-	-	-	2,000,000	-	2,000,000
Change in net position	648,137	1,325,372	297,579	2,000,000	2,228,676	6,499,764
Net position (deficit), beginning of year	3,187,722	460,411	(2,606)	-	(1,882,465)	1,763,062
Net position (deficit), end of year	\$ 3,835,859	\$ 1,785,783	\$ 294,973	\$ 2,000,000	\$ 346,211	\$ 8,262,826

CITY OF ALBANY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Self-Administered Insurance Fund	Public Employees' Deposit Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from other funds	\$ 2,476,671	\$ 13,281,468	\$ 1,623,228	\$ -	\$ -	\$ 17,381,367
Receipts from customers	-	-	-	-	13,687,595	13,687,595
Payments to suppliers	-	-	-	(1,000,000)	(6,543,217)	(7,543,217)
Payments to employees	-	(61,408)	-	-	(6,842,182)	(6,903,590)
Claims paid	(1,711,791)	(8,577,815)	(1,217,968)	-	-	(11,507,574)
Premiums paid	(409,552)	(3,466,690)	60,930	-	-	(3,815,312)
Net cash provided by (used in) operating activities	355,328	1,175,555	466,190	(1,000,000)	302,196	1,299,269
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	-	2,000,000	-	2,000,000
Transfers out	-	-	-	-	(20,432)	(20,432)
Net cash provided by (used in) noncapital financing activities	-	-	-	2,000,000	(20,432)	1,979,568
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	-	-	-	-	(1,243,864)	(1,243,864)
Proceeds from sale of capital assets	-	-	-	-	32,375	32,375
Net cash used in capital and related financing activities	-	-	-	-	(1,211,489)	(1,211,489)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investments	-	-	-	(1,000,000)	-	(1,000,000)
Proceeds from sales of investments	-	-	-	-	4,854	4,854
Investment income	75,881	-	8,388	-	12,366	96,635
Net cash provided by (used in) investing activities	75,881	-	8,388	(1,000,000)	17,220	(898,511)
Increase (decrease) in cash and cash equivalents	431,209	1,175,555	474,578	-	(912,505)	1,168,837
Cash and cash equivalents:						
Beginning of year	373,502	1,124,663	60,810	-	1,885,398	3,444,373
End of year	\$ 804,711	\$ 2,300,218	\$ 535,388	\$ -	\$ 972,893	\$ 4,613,210

(Continued)

CITY OF ALBANY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Self-Administered Insurance Fund	Public Employees' Deposit Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Totals
RECONCILIATION OF OPERATING INCOME (LOSS)						
TO NET CASH PROVIDED BY (USED IN)						
OPERATING ACTIVITIES						
Operating income	\$ 572,256	\$ 1,325,372	\$ 289,191	\$ -	\$ 2,422,066	\$ 4,608,885
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	-	-	-	-	870,391	870,391
Changes in assets and liabilities:						
(Increase) decrease in investment pool	(6,409)	-	(369,439)	-	-	(375,848)
(Increase) decrease in accounts receivable	3,260	(105,938)	(31,503)	-	(100,480)	(234,661)
(Increase) decrease in due from other funds	20,700	238,035	-	(1,000,000)	(1,324,671)	(2,065,936)
Increase in net difference between expected and actual experience of economic/demographic (gains)/loss	-	(2,322)	-	-	(250,734)	(253,056)
(Increase) decrease in contributions subsequent to the measurement date	-	(1,203)	-	-	19,879	18,676
(Increase) decrease in accounts payable and other liabilities	122,771	(78,245)	60,930	-	5,736	111,192
(Increase) decrease in claims payable	(357,250)	(235,000)	85,792	-	-	(506,458)
(Increase) decrease in due to other funds	-	23,325	431,219	-	(1,246,508)	(791,964)
(Increase) decrease in net pension liability	-	17,298	-	-	717,775	735,073
Decrease in net difference between projected and actual earnings on pension plan investments	-	(5,767)	-	-	(811,258)	(817,025)
Net cash provided by (used in) operating activities	\$ 355,328	\$ 1,175,555	\$ 466,190	\$ (1,000,000)	\$ 302,196	\$ 1,299,269
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Contributions of capital assets from outside sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions of capital assets (to) from governmental activities	-	-	-	-	(179,047)	(179,047)
Contributions of capital assets (to) from other proprietary funds	-	-	-	-	20,432	20,432
Total noncash investing, capital and financing activities	\$ -	\$ -	\$ -	\$ -	\$ (158,615)	\$ (158,615)

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2010 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
	\$ 3,992,000	\$ 3,992,000	\$ 4,240,935	\$ 31,446	\$ 4,272,381
Civic Center Improvements	350,000	350,000	-	-	-
Sanitary and Storm Drainage Improvements	9,000,000	9,000,000	-	-	-
Roadway, Traffic Safety, Sidewalk and Bridge Improvements	18,501,500	18,501,500	9,308,688	2,767,491	12,076,179
Public Safety Improvements and Equipment	9,086,284	9,086,284	8,431,387	1,580,265	10,011,652
Alley Paving Improvements	3,684,216	3,684,216	-	-	-
Information Technology Improvements	1,500,000	1,500,000	969,136	(79,901)	889,235
Riverfront Development Improvements	250,000	250,000	-	-	-
Transit System Improvements and Equipment	4,380,000	4,380,000	281,907	821,633	1,103,540
Solid Waste Improvements	615,000	615,000	-	-	-
Historical and Cultural Improvements	276,000	276,000	-	-	-
Recreational Facility Improvements	2,750,000	2,750,000	-	1,770,236	1,770,236
City-Owned Facility Improvements	500,000	500,000	6,728	-	6,728
New Senior Center	3,000,000	3,000,000	3,292,382	-	3,292,382
Chehaw Park Improvements	1,750,000	1,750,000	956,686	291,421	1,248,107
Community Swimming Pool - East Albany	1,000,000	1,000,000	-	-	-
Thronateeska Improvements	2,000,000	2,000,000	2,091,469	7,907	2,099,376
Chamber of Commerce Improvements	85,000	85,000	85,000	-	85,000
Debt Service - Interest on SPLOST bonds	-	-	1,216,921	280,350	1,497,271
Total	\$ 62,720,000	\$ 62,720,000	\$ 30,881,239	\$ 7,470,848	\$ 38,352,087

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2005 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
Airport Improvements	\$ 1,703,200	\$ 1,703,200	\$ 1,703,017	\$ -	\$ 1,703,017
Civic Center Improvements	2,560,000	2,560,000	2,523,271	-	2,523,271
Engineering	13,850,000	13,750,000	6,562,041	41,748	6,603,789
Civic Center Debt Retirement	5,500,000	5,500,000	6,669,376	-	6,669,376
Fire Department Equipment	1,500,000	1,500,000	-	-	-
Public Safety Communications and Equipment	150,000	150,000	-	-	-
Public Works	6,810,000	6,810,000	6,683,859	-	6,683,859
Recreation	5,000,000	5,000,000	5,091,062	-	5,091,062
800 MHZ Radio Upgrade, Tower	6,800,000	6,800,000	6,718,690	-	6,718,690
GPS/GIS Information Infrastructure Mapping	1,500,000	1,500,000	1,350,104	88,020	1,438,124
Fire Training Facility	1,500,000	1,500,000	3,225,056	-	3,225,056
GIS/Color Infrared Photos	750,000	750,000	544,828	-	544,828
Disparity Study	350,000	350,000	339,871	-	339,871
Riverfront Development Projects	8,650,000	7,151,425	5,170,248	18,499	5,188,747
Thronateeska Improvements	3,500,000	3,900,400	3,928,873	-	3,928,873
Civil Rights Museum Expansion	3,750,000	4,098,175	4,035,383	-	4,035,383
Chehaw Park Improvements	2,000,000	2,000,000	1,999,341	-	1,999,341
East Broad Lead Clean-up	-	850,000	1,102,481	5,709	1,108,190
Debt Service - Principal on SPLOST bonds	-	-	14,000,000	-	14,000,000
Debt Service - Interest on SPLOST bonds	-	-	1,997,221	-	1,997,221
Total	<u>\$ 65,873,200</u>	<u>\$ 65,873,200</u>	<u>\$ 73,644,722</u>	<u>\$ 153,976</u>	<u>\$ 73,798,698</u>

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2000 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 1995 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 1990 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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	1,927,785	173,837	2,101,622
Conference Center	2,500,000	2,500,000	302,227	-	302,227
Total	<u>\$ 11,000,000</u>	<u>\$ 11,000,000</u>	<u>\$ 8,230,012</u>	<u>\$ 173,837</u>	<u>\$ 8,403,849</u>

Expenditures per above schedules:

2010 Special City Sales Tax	\$ 7,470,848
2005 Special City Sales Tax	153,976
1990 Special City Sales Tax	173,837
	<u>\$ 7,798,661</u>

Expenditures per Statement of

Revenue, Expenditures and	
Changes in Fund Balance	\$ 13,974,195
Less expenditures of LMIG funds	(1,334,193)
Less reimbursement of expenditures	
by Dougherty County	(141,341)
Principal on debt obligations	(4,700,000)
Expenditures per SPLOST Fund:	<u>\$ 7,798,661</u>

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION (UNAUDITED)

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

<u>Contents</u>	<u>Page</u>
Financial Trends	138 - 141
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	142 - 151
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	152 - 156
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	157 and 158
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	159 - 161
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

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

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

CITY OF ALBANY, GEORGIA

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 50,077,946	\$ 70,610,705	\$ 78,428,752	\$ 88,743,491	\$ 98,535,755	\$ 73,083,652	\$ 78,515,796	\$ 78,550,845	\$ 71,425,125	\$ 83,974,584
Restricted	22,207,175	21,328,367	16,456,922	13,177,567	25,826,583	47,176,694	38,807,274	38,366,853	36,560,923	31,967,383
Unrestricted	53,087,410	44,719,433	40,133,840	45,542,781	30,230,043	35,240,562	40,806,398	43,484,743	22,864,246	27,874,503
Total governmental activities net position	\$ 125,372,531	\$ 136,658,505	\$ 135,019,514	\$ 147,463,839	\$ 154,592,381	\$ 155,500,908	\$ 158,129,468	\$ 160,402,441	\$ 130,850,294	\$ 143,816,470
Business-type activities										
Net investment in capital assets	\$ 82,562,046	\$ 86,139,998	\$ 87,159,039	\$ 90,125,991	\$ 94,042,509	\$ 99,376,889	\$ 165,888,018	\$ 169,002,698	\$ 172,427,764	\$ 173,637,702
Restricted	2,611,185	575,157	3,009,678	2,667,647	9,036,399	8,768,406	9,593,844	6,077,401	8,944,173	9,006,514
Unrestricted	14,604,568	20,104,218	19,368,954	12,927,651	9,762,737	10,043,897	14,979,263	21,348,097	15,870,320	25,522,956
Total business-type activities net position	\$ 99,777,799	\$ 106,819,373	\$ 109,537,671	\$ 105,721,289	\$ 112,841,645	\$ 118,189,192	\$ 190,461,125	\$ 196,428,196	\$ 197,242,257	\$ 208,167,172
Primary government										
Net investment in capital assets	\$ 132,639,992	\$ 156,750,703	\$ 165,587,791	\$ 178,869,482	\$ 192,578,264	\$ 172,460,541	\$ 244,403,814	\$ 247,553,543	\$ 243,852,889	\$ 257,612,286
Restricted	24,818,360	21,903,524	19,466,600	15,845,214	34,862,982	55,945,100	48,401,118	44,444,254	45,505,096	40,973,897
Unrestricted	67,691,978	64,823,651	59,502,794	58,470,432	39,992,780	45,284,459	55,785,661	64,832,840	38,734,566	53,397,459
Total primary government net position	\$ 225,150,330	\$ 243,477,878	\$ 244,557,185	\$ 253,185,128	\$ 267,434,026	\$ 273,690,100	\$ 348,590,593	\$ 356,830,637	\$ 328,092,551	\$ 351,983,642

NOTES

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

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

CITY OF ALBANY, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Primary government:										
Governmental activities:										
General government	\$ 11,031,409	\$ 13,063,421	\$ 12,215,564	\$ 10,854,334	\$ 12,988,647	\$ 15,659,577	\$ 11,850,540	\$ 11,850,540	\$ 7,580,735	\$ 13,149,259
Judicial	874,234	910,240	952,323	1,057,836	1,016,422	1,092,438	1,105,206	1,105,206	1,114,238	1,142,848
Public safety	26,853,620	30,268,106	31,206,297	31,544,927	33,541,721	36,274,636	34,446,708	34,446,708	34,819,323	33,992,566
Public works	8,148,684	8,306,157	7,695,464	7,393,923	6,981,385	8,562,916	11,763,774	11,763,774	8,154,192	9,022,331
Parks and recreation	7,195,375	12,818,108	9,079,385	6,684,312	7,031,469	6,572,226	9,134,107	9,134,107	5,796,910	7,750,411
Community development	9,283,562	7,497,726	5,591,053	7,447,371	5,851,434	8,866,465	4,788,597	4,788,597	7,202,674	3,743,861
Community service	341,999	336,411	399,347	398,458	396,531	413,150	383,794	383,794	232,364	379,747
Interest and fiscal changes	1,318,996	1,515,177	1,549,738	1,166,548	1,079,261	737,496	908,094	908,094	901,640	648,357
Total governmental activities expenses	65,047,879	74,715,346	68,689,171	66,547,709	68,886,870	78,178,904	74,380,820	74,380,820	65,802,076	69,829,380
Business-type activities:										
Sanitary sewer	13,400,852	13,503,253	14,402,906	14,569,098	12,838,068	13,802,498	13,510,612	13,510,612	12,268,460	12,094,253
Solid waste	7,473,428	8,206,745	8,499,616	8,092,385	7,963,262	8,336,517	8,303,044	8,303,044	8,946,091	8,908,087
Airport	1,557,618	2,195,398	2,415,280	2,626,279	2,643,741	2,632,485	2,873,052	2,873,052	2,966,447	3,494,862
Water, gas and light	-	-	-	-	-	-	103,961,719	103,961,719	-	-
Water	-	-	-	-	-	-	-	-	10,223,707	9,511,549
Light	-	-	-	-	-	-	-	-	96,684,785	88,893,351
Gas	-	-	-	-	-	-	-	-	11,112,701	11,191,545
Telecommunications	-	-	-	-	-	-	-	-	3,621,346	3,101,115
Storm water	-	-	-	-	-	-	-	-	5,470,230	5,477,062
Public employees' deposit	17,909,891	19,935,572	13,042,126	12,036,183	13,286,117	14,435,555	13,561,049	13,561,049	-	-
Transit	3,185,794	3,435,890	2,902,980	3,092,032	3,034,292	3,511,901	3,608,070	3,608,070	4,534,919	3,822,213
Civic Center	1,702,874	1,807,638	1,603,124	1,913,705	1,885,466	2,197,236	2,079,981	2,079,981	2,308,789	1,813,508
Municipal Auditorium	154,036	160,829	192,119	161,184	54,971	-	-	-	-	-
Total business-type activities expenses	45,384,493	49,245,325	43,058,151	42,490,866	41,705,917	44,916,192	147,897,527	147,897,527	158,137,475	148,307,545
Total primary government expenses	110,432,372	123,960,671	111,747,322	109,038,575	110,592,787	123,095,096	222,278,347	222,278,347	223,939,551	218,136,925

(Continued)

CITY OF ALBANY, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program revenues										
Primary government:										
Governmental activities:										
Charges for services										
General government	\$ 2,349,462	\$ 2,676,493	\$ 2,466,315	\$ 2,415,222	\$ 2,596,447	\$ 2,640,527	\$ 931,310	\$ 931,310	\$ 1,188,303	\$ 1,192,066
Judicial	856,868	999,810	1,109,205	1,297,694	1,251,773	1,203,831	22,784	22,784	-	-
Public safety	1,538,804	1,691,284	1,715,042	1,731,747	1,556,068	1,520,217	3,037,017	3,037,017	2,966,355	3,130,513
Public works	2,105,018	806,260	792,786	940,648	984,194	981,413	995,027	995,027	775,990	710,838
Parks and recreation	454,975	437,344	335,993	290,619	204,102	203,342	180,876	180,876	130,937	114,769
Community development	2,055,849	2,961,169	481,049	1,403,145	1,285,180	1,097,442	1,579,390	1,579,390	1,383,430	1,394,517
Operating grants and contributions	13,729,819	15,310,571	18,090,264	21,613,472	22,392,721	23,495,445	8,219,946	8,219,946	11,377,521	12,658,215
Capital grants and contributions	2,569,404	15,916,286	2,033,058	14,719,811	15,615,908	17,027,629	16,646,062	16,646,062	12,565,452	12,356,837
Total governmental activities program revenues	25,660,199	40,799,217	27,023,712	44,412,358	45,886,393	48,169,846	31,612,412	31,612,412	30,387,988	31,557,755
Business-type activities:										
Charges for services										
Sanitary sewer	14,321,155	15,184,281	15,111,550	14,725,910	15,301,208	14,554,746	14,303,532	14,303,532	12,873,459	14,429,200
Solid waste	8,271,443	8,262,522	8,412,723	8,844,741	9,033,593	9,105,594	9,135,850	9,135,850	9,854,717	9,647,082
Airport	757,547	812,117	728,191	878,643	762,688	834,146	841,426	841,426	835,299	832,128
Water, gas and light	-	-	-	-	-	-	118,441,492	118,441,492	-	-
Water	-	-	-	-	-	-	-	-	11,934,909	11,313,068
Light	-	-	-	-	-	-	-	-	116,439,184	110,012,176
Gas	-	-	-	-	-	-	-	-	15,453,714	15,463,910
Telecommunications	-	-	-	-	-	-	-	-	2,737,692	2,254,568
Public employees' deposit	17,868,487	19,927,744	13,034,004	12,042,502	13,801,791	13,971,380	13,540,775	13,540,775	-	-
Transit	436,988	429,695	495,279	476,251	525,469	557,583	559,691	559,691	581,488	522,454
Storm water	-	-	-	-	-	-	-	-	3,606,753	2,824,693
Civic Center	446,822	282,776	255,803	404,489	360,583	444,135	342,773	342,773	307,969	315,437
Municipal Auditorium	26,732	42,388	52,565	61,862	60,769	-	-	-	-	-
Operating grants and contributions	2,027,577	2,321,938	1,678,305	1,175,803	1,254,198	1,228,886	871,411	871,411	1,049,408	1,239,904
Capital grants and contributions	9,076,175	5,818,085	2,872,902	3,114,877	-	3,790,551	7,724,576	7,724,576	3,673,081	1,989,102
Total business-type activities program revenues	53,232,926	53,081,546	42,641,322	41,725,078	41,100,299	44,487,021	165,761,526	165,761,526	179,347,673	170,843,722
Total primary government program revenues	78,893,125	93,880,763	69,665,034	86,137,436	86,986,692	92,656,867	197,373,938	197,373,938	209,735,661	202,401,477

(Continued)

CITY OF ALBANY, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General revenues and other changes in net position										
Primary government:										
Governmental activities:										
Taxes	\$ 45,807,436	\$ 47,569,215	\$ 41,747,300	\$ 33,658,616	\$ 31,573,914	\$ 31,839,278	\$ 35,568,965	\$ 35,568,965	\$ 37,984,905	\$ 37,841,772
Investment earnings	2,135,978	2,255,534	1,163,072	874,098	1,009,368	1,750,706	356,766	356,766	770,805	1,331,409
Gain on sale of assets	-	-	-	-	-	-	-	-	215,122	-
Transfers	(2,185,301)	(2,543,171)	(2,883,904)	46,962	(4,316,622)	(4,680,629)	13,338,381	13,338,381	3,142,238	12,064,620
Total governmental activities general revenues and other changes in net position	45,758,113	47,281,578	40,026,468	34,579,676	28,266,660	28,909,355	49,264,112	49,264,112	42,113,070	51,237,801
Business-type activities:										
Investment earnings	792,897	662,182	251,223	71,199	334,521	1,096,090	(129,346)	(129,346)	118,782	401,121
Gain on sale of assets	-	-	-	-	-	-	82,871	82,871	122,251	52,237
Transfers	2,185,301	2,543,171	2,883,904	(46,962)	4,316,622	4,680,629	(13,338,381)	(13,338,381)	(3,142,238)	(12,064,620)
Total business-type activities general revenues and other changes in net position	2,978,198	3,205,353	3,135,127	24,237	4,651,143	5,776,719	(13,384,856)	(13,384,856)	(2,901,205)	(11,611,262)
Total primary government general revenues and other changes in net assets	48,736,311	50,486,931	43,161,595	34,603,913	32,917,803	34,686,074	35,879,256	35,879,256	39,211,865	39,626,539
Change in net position:										
Governmental activities	6,370,433	13,365,449	(1,638,991)	12,444,325	5,266,183	(1,099,703)	6,495,704	6,495,704	6,698,982	12,966,176
Business-type activities	10,826,631	7,041,574	2,718,298	(741,551)	4,045,525	5,347,548	4,479,143	4,479,143	18,308,993	10,924,915
Total primary government change in net position	\$ 17,197,064	\$ 20,407,023	\$ 1,079,307	\$ 11,702,774	\$ 9,311,708	\$ 4,247,845	\$ 10,974,847	\$ 10,974,847	\$ 25,007,975	\$ 23,891,091

NOTES

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

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

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

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

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

CITY OF ALBANY, GEORGIA

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

Fiscal Year	Property Tax	Sales Tax	Hotel/Motel Tax	Franchise Tax	Premium Tax	Beverage Tax	Other Taxes	Total
2007	\$ 14,794,429	\$ 23,014,619	\$ 1,307,342	\$ 2,169,665	\$ 4,042,768	\$ 1,402,865	\$ 170,946	\$ 46,902,634
2008	14,776,748	23,380,560	1,378,411	2,184,755	4,218,975	1,457,124	172,642	47,569,215
2009	13,964,606	18,269,427	1,311,461	2,272,999	4,323,680	1,433,699	171,428	41,747,300
2010	15,324,267	8,932,040	1,271,433	2,290,921	4,279,238	1,434,095	126,622	33,658,616
2011	13,789,210	8,341,512	1,407,922	2,212,040	4,158,640	1,512,707	151,883	31,573,914
2012	13,932,138	8,874,041	1,445,522	2,318,244	3,645,630	1,421,037	202,666	31,839,278
2013	16,473,385	8,176,320	1,508,950	2,073,111	3,870,670	1,411,557	2,054,972	35,568,965
2014	16,761,694	8,658,079	1,727,832	1,891,363	3,994,353	1,347,638	2,144,316	36,525,275
2015	16,875,088	9,572,282	1,936,155	1,884,155	4,176,385	1,365,006	2,175,834	37,984,905
2016	16,315,586	9,683,370	1,994,981	1,915,178	4,461,781	1,339,383	2,131,493	37,841,772

NOTES

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

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

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

CITY OF ALBANY, GEORGIA

FUND BALANCE OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 318,989	\$ 395,504	\$ 573,383	\$ 287,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	23,946,604	22,117,285	18,627,452	22,402,480	-	-	-	-	-	-
Nonspendable	-	-	-	-	2,963,309	752,155	259,934	235,771	239,125	418,534
Restricted	-	-	-	-	-	-	-	38,470	72,016	142,319
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	703,259	724,897	741,304	755,119	764,879	792,672
Unassigned	-	-	-	-	20,112,553	20,869,545	13,568,156	16,461,430	20,403,856	26,046,316
Total General Fund	<u>\$ 24,265,593</u>	<u>\$ 22,512,789</u>	<u>\$ 19,200,835</u>	<u>\$ 22,690,114</u>	<u>\$ 23,779,121</u>	<u>\$ 22,346,597</u>	<u>\$ 14,569,394</u>	<u>\$ 17,490,790</u>	<u>\$ 21,479,876</u>	<u>\$ 27,399,841</u>
All Other Governmental Funds										
Reserved	\$ 3,215,569	\$ 2,081,497	\$ 2,945,507	\$ 1,191,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	5,274,345	5,513,089	5,676,146	5,663,995	-	-	-	-	-	-
Capital projects funds	25,588,135	25,705,739	18,333,452	22,374,566	-	-	-	-	-	-
Nonspendable, reported in:										
Capital projects funds	-	-	-	-	443,898	1,765,798	1,152,423	666,092	436,596	71,942
Restricted, reported in:										
Special revenue funds	-	-	-	-	5,358,579	7,724,921	5,935,517	4,593,080	3,625,897	1,747,032
Capital projects funds	-	-	-	-	20,461,190	39,451,773	38,693,602	40,803,181	40,811,186	38,543,270
Debt service fund	-	-	-	-	6,814	-	-	-	-	-
Committed, reported in:										
Special revenue funds	-	-	-	-	182,129	75,241	12,665,396	16,003,179	19,220,954	21,784,820
Capital projects funds	-	-	-	-	-	-	6,260,070	6,484,444	6,656,593	8,631,796
Assigned, reported in:										
Special revenue funds	-	-	-	-	-	-	-	26,214	-	920,791
Capital projects funds	-	-	-	-	2,295,702	3,653,585	-	-	-	-
Unassigned, reported in:										
Special revenue funds	-	-	-	-	(134,125)	(58,726)	(175,948)	(289,994)	(346,297)	(622,493)
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 34,078,049</u>	<u>\$ 33,300,325</u>	<u>\$ 26,955,105</u>	<u>\$ 29,229,918</u>	<u>\$ 28,614,187</u>	<u>\$ 52,612,592</u>	<u>\$ 64,531,060</u>	<u>\$ 68,286,196</u>	<u>\$ 70,404,929</u>	<u>\$ 71,077,158</u>
Total Governmental Funds	<u>\$ 58,343,642</u>	<u>\$ 55,813,114</u>	<u>\$ 46,155,940</u>	<u>\$ 51,920,032</u>	<u>\$ 52,393,308</u>	<u>\$ 74,959,189</u>	<u>\$ 79,100,454</u>	<u>\$ 85,776,986</u>	<u>\$ 91,884,805</u>	<u>\$ 98,476,999</u>

NOTES

Note: GASB 54 was implemented during fiscal year 2011.

CITY OF ALBANY, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	\$ 46,608,379	\$ 47,271,610	\$ 41,461,664	\$ 33,346,229	\$ 31,573,914	\$ 31,839,278	\$ 35,568,965	\$ 36,525,275	\$ 37,984,905	\$ 37,841,772
Licenses and permits	2,320,724	2,434,916	2,258,362	2,171,589	2,235,513	2,191,504	857,746	783,927	1,077,712	926,040
Intergovernmental	16,299,223	16,756,831	20,123,322	36,333,283	37,074,560	40,104,059	22,879,021	20,363,265	23,637,097	24,600,285
Charges for services	2,146,007	2,324,102	2,233,114	2,966,563	2,922,091	2,713,766	3,664,906	3,263,308	3,134,717	3,032,948
Fines and forfeitures	776,268	901,009	1,025,445	1,191,454	1,170,763	1,203,831	1,486,133	1,579,801	1,493,362	1,425,005
Rental and other fees	339,325	297,605	-	-	-	-	-	-	-	-
Interest revenues	1,941,959	2,041,946	1,087,289	863,763	1,286,227	1,973,131	462,117	1,895,678	1,012,185	1,523,845
Other revenues	3,648,717	3,166,757	2,738,209	2,284,159	2,434,456	2,374,099	1,521,086	1,610,391	1,049,143	1,694,374
Total revenues	74,080,602	75,194,776	70,927,405	79,157,040	78,697,524	82,399,668	66,439,974	66,021,645	69,389,121	71,044,269
Expenditures:										
Current:										
General government	9,884,652	11,875,762	8,976,530	9,936,581	11,160,607	10,485,134	9,341,745	8,894,145	9,986,311	11,160,530
Judicial	855,330	907,934	986,359	1,056,504	1,007,860	1,100,137	1,104,040	1,161,195	1,133,837	1,144,699
Public safety	26,272,002	28,732,159	28,655,558	30,425,483	31,606,457	32,883,304	31,683,702	33,231,203	33,290,879	32,054,789
Public works	6,711,134	6,781,237	6,990,544	7,068,801	8,614,550	8,780,714	8,501,889	7,917,956	5,168,600	4,485,266
Parks and recreation	4,143,167	4,341,644	4,542,627	5,051,465	5,434,481	5,547,493	4,980,249	4,938,351	5,175,991	7,316,238
Community development	4,644,429	6,036,774	5,018,810	6,996,464	7,335,418	8,237,696	5,407,316	5,956,369	6,107,922	5,025,042
Community service	341,999	336,411	399,347	398,458	396,531	413,150	383,794	433,840	416,319	379,747
Nondepartmental	-	-	-	-	-	-	-	-	-	-
Capital outlay	18,478,624	13,814,675	11,114,264	9,636,181	7,831,838	6,082,301	15,132,363	10,466,590	8,539,367	10,057,359
Debt service:										
Principal	1,430,000	1,450,000	6,000,000	6,205,000	6,433,750	905,409	600,000	585,000	4,391,250	5,640,000
Interest and fiscal charges	1,254,684	1,558,994	1,501,459	1,256,775	1,018,321	1,045,416	1,119,453	1,127,246	1,097,687	897,328
Total expenditures	74,016,021	75,835,590	74,185,498	78,031,712	80,839,813	75,480,754	78,254,551	74,711,895	75,308,163	78,160,998
Excess of revenues over (under) expenditures	64,581	(640,814)	(3,258,093)	1,125,328	(2,142,289)	6,918,914	(11,814,577)	(8,690,250)	(5,919,042)	(7,116,729)

(Continued)

CITY OF ALBANY, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other financing sources (uses)										
Transfers in	\$ 3,526,240	\$ 4,327,235	\$ 2,270,397	\$ 8,729,408	\$ 2,840,088	\$ 2,059,524	\$ 32,456,832	\$ 19,936,864	\$ 20,056,046	\$ 24,018,135
Transfers out	(5,711,311)	(6,870,406)	(5,154,301)	(6,348,501)	(3,328,467)	(4,707,660)	(16,539,382)	(5,210,378)	(8,484,926)	(10,410,077)
Investment fees	-	-	-	-	-	-	-	-	-	-
Change in fair market value of investments	-	-	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-	-	-
Issuance of debt	14,236,362	-	-	-	295,079	17,625,914	-	-	-	-
Sale of capital assets	455,206	653,457	206,758	546,340	698,447	669,189	38,392	640,296	455,741	100,865
Total other financing sources (uses)	12,506,497	(1,889,714)	(2,677,146)	2,927,247	505,147	15,646,967	15,955,842	15,366,782	12,026,861	13,708,923
Net change in fund balances	<u>\$ 12,571,078</u>	<u>\$ (2,530,528)</u>	<u>\$ (5,935,239)</u>	<u>\$ 4,052,575</u>	<u>\$ (1,637,142)</u>	<u>\$ 22,565,881</u>	<u>\$ 4,141,265</u>	<u>\$ 6,676,532</u>	<u>\$ 6,107,819</u>	<u>\$ 6,592,194</u>
Debt service as a percentage of noncapital expenditures	4.29%	4.34%	11.18%	10.87%	10.47%	2.79%	2.53%	2.51%	7.89%	9.64%

NOTES

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

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

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

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

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

CITY OF ALBANY, GEORGIA

GENERAL GOVERNMENT TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS (Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax	Sales Tax	Hotel/Motel Tax	Franchise Tax	Insurance Premium Tax	Alcoholic Beverage Tax	Other Taxes	Total
2007	\$ 14,794,429	\$ 23,014,619	\$ 1,307,342	\$ 2,169,665	\$ 4,042,768	\$ 1,402,865	\$ 170,946	\$ 46,902,634
2008	14,776,748	23,380,560	1,378,411	2,184,755	4,218,975	1,457,124	172,642	47,569,215
2009	13,964,606	18,269,427	1,311,461	2,272,999	4,323,680	1,433,699	171,428	41,747,300
2010	15,324,267	8,932,040	1,271,433	2,290,921	4,279,238	1,434,095	126,622	33,658,616
2011	13,789,210	8,341,512	1,407,922	2,212,040	4,158,640	1,512,707	151,883	31,573,914
2012	13,932,138	8,874,041	1,445,522	2,318,244	3,645,630	1,421,037	202,666	31,839,278
2013	16,473,385	8,176,320	1,508,950	2,073,111	3,870,670	1,411,557	2,054,972	35,568,965
2014	16,761,694	8,658,079	1,727,832	1,891,363	3,994,353	1,347,638	2,144,316	36,525,275
2015	16,761,694	8,658,079	1,727,832	1,891,363	3,994,353	1,347,638	2,144,316	36,525,275
2016	16,315,585	9,683,370	1,994,981	1,915,178	4,461,781	1,339,383	2,131,493	37,841,771

NOTES

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

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

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

CITY OF ALBANY, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS (Dollar Amounts Expressed in Thousands)

Fiscal Year	Real Property		Personal Property		Exemptions	Total		Total Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value	
2007	\$ 981,349	\$ 2,375,408	\$ 466,890	\$ 1,140,300	\$ 99,744	\$ 1,348,495	\$ 3,309,213	10.80
2008	1,225,531	2,404,593	478,728	1,169,327	103,518	1,600,741	3,359,070	10.80
2009	1,218,665	2,453,374	501,002	1,167,227	110,843	1,608,824	3,620,601	10.79
2010	1,179,054	3,063,828	503,796	1,196,820	102,145	1,580,705	4,001,853	10.78
2011	1,167,412	3,046,663	528,971	1,252,505	197,853	1,498,530	4,022,060	9.16
2012	1,197,135	2,987,528	396,685	1,327,833	106,590	1,487,230	4,063,003	9.16
2013	1,202,887	3,007,218	448,969	1,122,423	133,086	1,518,770	3,796,925	8.66
2014	1,185,778	2,964,445	472,394	1,180,985	133,147	1,525,025	3,812,563	9.99
2015	1,178,638	2,946,595	473,333	1,183,333	133,575	1,518,396	3,795,990	9.99
2016	1,205,452	3,013,630	434,038	1,085,095	114,956	1,524,534	3,811,335	9.85

SOURCE

Dougherty County Tax Department

NOTES

Property is assessed at 40 percent of actual value. Actual taxable value is calculated by dividing assessed value by 40 percent.

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

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

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		
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
2010	9.157	0.000	9.157	11.894	0.000	11.894	18.445	0.000	18.445	0.25	39.746
2011	8.660	0.000	8.660	11.894	0.000	11.894	18.445	0.000	18.445	0.25	39.249
2012	8.660	0.000	8.660	11.894	0.000	11.894	18.445	0.000	18.445	0.25	39.249
2013	8.660	0.000	8.660	11.894	0.000	11.894	18.445	0.000	18.445	0.20	39.199
2014	9.990	0.000	9.990	11.894	0.000	11.894	18.445	0.000	18.445	0.15	40.479
2015	9.990	0.000	9.990	11.894	0.000	11.894	18.445	0.000	18.445	0.10	40.429
2016	9.853	0.000	9.853	12.594	0.000	12.594	18.445	0.000	18.445	0.05	40.942

SOURCE

Dougherty County Tax Department

NOTE

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

CITY OF ALBANY, GEORGIA

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

By Category	2006	2007	2008	2009 (2)	2010	2011	2012	2013	2014	2015
Food	\$ 3,802,908	\$ 3,923,148	\$ 3,677,474	\$ 1,351,385 (3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Apparel	676,270	688,235	683,128	310,058 (3)	-	-	-	-	-	-
General	2,403,887	2,448,008	2,402,603	1,082,402 (3)	-	-	-	-	-	-
Automotive	2,916,549	3,030,301	3,377,416	974,961 (3)	-	-	-	-	-	-
Home	1,034,018	982,259	916,640	345,110 (3)	-	-	-	-	-	-
Lumber	1,264,403	1,237,612	1,078,029	317,181 (3)	-	-	-	-	-	-
Miscellaneous Service	924,728	930,366	1,006,135	375,623 (3)	-	-	-	-	-	-
Manufacturers	1,712,880	1,551,973	1,718,753	475,704 (3)	-	-	-	-	-	-
Utilities	1,517,393	1,480,452	1,594,512	555,468 (3)	-	-	-	-	-	-
Miscellaneous	1,864,146	1,997,795	1,619,727	452,693 (3)	-	-	-	-	-	-
Accommodations	-	-	-	151,098 (4)	183,530	178,114	175,258	150,647	212,981	252,666
Auto	-	-	-	947,706 (4)	1,532,920	1,532,213	1,584,304	809,709	405,402	457,114
Construction	-	-	-	56,446 (4)	90,776	84,097	81,167	111,838	124,959	124,552
Food/bars	-	-	-	1,789,221 (4)	2,814,970	2,704,550	2,657,049	2,635,805	2,728,280	2,752,437
General Merch	-	-	-	1,535,625 (4)	2,588,585	2,686,581	2,885,661	2,816,639	2,706,866	2,908,392
Home Furnishing	-	-	-	684,002 (4)	1,093,541	945,631	909,372	882,216	905,995	894,054
Manufacturing	-	-	-	255,361 (4)	1,396,801	1,515,298	1,267,861	1,291,861	1,109,267	827,389
Miscellaneous Service	-	-	-	615,245 (4)	1,140,412	1,188,675	1,109,417	1,142,772	1,502,431	2,382,097
Other Retail	-	-	-	1,161,684 (4)	2,238,762	2,478,609	2,428,037	2,496,712	2,536,673	2,341,056
Other Services	-	-	-	205,957 (4)	344,919	527,492	711,202	484,220	480,088	418,623
Utility	-	-	-	857,090 (4)	1,097,536	1,177,576	1,121,740	1,174,926	852,254	347,382
Wholesale	-	-	-	1,060,109 (4)	2,102,658	2,235,969	2,177,739	2,035,087	2,115,907	1,793,744
	<u>\$ 18,117,182</u>	<u>\$ 18,270,149</u>	<u>\$ 18,074,417</u>	<u>\$ 15,560,129</u>	<u>\$ 16,625,410</u>	<u>\$ 17,254,805</u>	<u>\$ 17,108,807</u>	<u>\$ 16,032,432</u>	<u>\$ 15,681,103</u>	<u>\$ 15,499,506</u>

SOURCE

Georgia Department of Revenue, Local Government Services Division

NOTES

(1) Information only available for Dougherty County

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

CITY OF ALBANY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	Fiscal Year 2016			Fiscal Year 2007		
		2015 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2006 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Mars Chocolate	Confectioner	\$ 13,484,722	1	0.88 %	\$ 23,131,034	2	1.72 %
Albany Mall HP LLC	Mall developer	10,961,960	2	0.72	10,006,698	6	0.74
BellSouth Communications, Inc	Telecommunications	11,660,428	3	0.76	16,935,046	3	1.26
Georgia Power Co	Utility	8,701,998	4	0.57	5,502,296	9	0.41
Brooks Robert N	Commercial Real Estate	7,565,581	5	0.50	-	-	-
Mediacom	Telecommunications	5,699,952	6	0.37	-	-	-
Flint River Albany RE LLC	Warehousing	5,254,520	7	0.34	-	-	-
Syngenta Crop Protection LLC	AG Chemical Manufacturing	9,128,994	8	0.60	-	-	-
Georgia Pacific Corrugated LLC	Paperboard Mills	7,839,874	9	0.51	-	-	-
Coats and Clark	Textiles	18,183,490	10	1.19	16,638,300	4	1.23
MillerCoors (1)	Brewery	-	-	-	57,056,487	1	4.23
Palmyra Medical Center (2)	Hospital	-	-	-	13,078,777	5	0.97
Walmart/Sam's Club	Retailer	-	-	-	5,361,053	10	0.40
BFS North American Tire	Retailer	-	-	-	8,993,663	7	0.67
Georgia Pacific Corporation	Manufacturer	-	-	-	7,742,678	8	0.57
		<u>\$ 98,481,519</u>		<u>6.46 %</u>	<u>\$ 164,446,032</u>		<u>12.19 %</u>

SOURCE

Dougherty County Tax Department

NOTES

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

(2) FY2013 became tax-exempt

2007 from City of Albany Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007.

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
2007	\$ 13,077	\$ 12,901	98.65 %	\$ 160	\$ 13,061	99.88 %
2008	13,164	12,872	97.78	273	13,145	99.86
2009	13,400	12,329	92.01	1,039	13,368	99.76
2010	13,540	13,105	96.79	404	13,509	99.77
2011	12,388	12,168	98.22	191	12,358	99.76
2012	12,428	12,131	97.61	269	12,400	99.77
2013	13,758	13,494	98.08	196	13,690	99.50
2014	13,745	13,480	98.07	177	13,657	99.36
2015	13,834	13,496	97.56	224	13,720	99.18
2016	13,741	13,520	98.39	-	13,520	98.39

SOURCE

Dougherty County Tax Department

CITY OF ALBANY, GEORGIA

RATIO OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Notes Payable	Revenue Bonds	Notes Payable	Capital Leases	Intergovernmental Agreement			
2007	\$ 18,870,000	\$ 10,000,000	\$ 5,525,000	\$ 44,115,000	\$ 283,329	\$ 172,006	\$ -	\$ 78,965,335	4.57%	\$ 1,047.37
2008	17,720,000	10,000,000	5,225,000	39,650,000	120,054	58,681	-	72,773,735	2.45%	959.76
2009	12,020,000	10,000,000	4,925,000	39,110,000	51,586	-	-	66,106,586	4.30%	871.76
2010	6,425,330	10,000,000	4,625,000	36,670,000	10,421	-	-	57,730,751	2.61%	763.47
2011	605,409	10,000,000	4,325,000	34,145,000	-	-	-	49,075,409	2.17%	633.77
2012	16,585,000	10,000,000	3,981,250	28,575,000	-	-	1,017,111	60,158,361	2.44%	774.41
2013	16,310,000	10,000,000	3,656,250	26,315,000	-	1,682,591	299,150	58,262,991	2.36%	752.45
2014	16,578,912	10,000,000	3,331,250	35,332,348	-	412,137	-	65,654,647	2.54%	861.78
2015	12,276,044	10,000,000	3,000,000	26,880,135	-	-	-	52,156,179	2.04%	688.36
2016	7,119,973	10,000,000	2,325,000	22,401,656	1,412,533	-	-	43,259,162	2.70%	578.00

NOTES

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

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

CITY OF ALBANY, GEORGIA

RATIO OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2007	\$ 18,870,000	\$ 6,868	\$ 18,863,132	0.57 %	\$ 250
2008	17,720,000	6,782	17,713,218	0.53	234
2009	12,020,000	6,808	12,013,192	0.33	158
2010	6,425,330	6,811	6,418,519	0.16	85
2011	605,409	6,814	598,595	0.01	8
2012	16,585,000	6,814	16,578,186	0.41	213
2013	16,310,000	-	16,310,000	0.43	211
2014	16,578,912	-	16,578,912	0.43	218
2015	12,276,044	-	12,276,044	0.32	162
2016	7,119,973	-	7,119,973	0.19	95

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT JUNE 30, 2016

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to City of Albany</u>	<u>Amount Applicable to City of Albany</u>
Direct, City of Albany	\$ 19,444,973	100 %	\$ 19,444,973
Overlapping, Dougherty County Board of Education	27,000,000	82 %	22,140,000
	<u>\$ 46,444,973</u>		<u>\$ 41,584,973</u>

SOURCE

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

NOTES

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

CITY OF ALBANY, GEORGIA

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
LEGAL DEBT MARGIN										
Debt limit	\$ 144,824	\$ 170,426	\$ 171,967	\$ 168,285	\$ 169,638	\$ 159,382	\$ 159,382	\$ 165,186	\$ 165,817	\$ 163,949
Total net debt applicable to limit	18,863	17,713	12,013	6,418	598	16,585	16,310	16,579	12,276	7,120
Legal debt margin	<u>\$ 125,961</u>	<u>\$ 152,713</u>	<u>\$ 159,954</u>	<u>\$ 161,867</u>	<u>\$ 169,040</u>	<u>\$ 142,797</u>	<u>\$ 143,072</u>	<u>\$ 148,607</u>	<u>\$ 153,541</u>	<u>\$ 156,829</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>13.02%</u>	<u>10.39%</u>	<u>6.99%</u>	<u>3.81%</u>	<u>0.35%</u>	<u>10.41%</u>	<u>10.23%</u>	<u>10.04%</u>	<u>7.40%</u>	<u>4.34%</u>
LEGAL DEBT MARGIN CALCULATION										
Assessed value	\$ 1,348,495	\$ 1,600,741	\$ 1,608,824	\$ 1,580,705	\$ 1,498,530	\$ 1,487,230	\$ 1,518,770	\$ 1,525,025	\$ 1,518,396	\$ 1,524,534
Add back exempt property	99,744	103,518	110,843	102,145	197,853	106,590	133,086	133,147	133,575	114,956
Total assessed value	<u>1,448,239</u>	<u>1,704,259</u>	<u>1,719,667</u>	<u>1,682,850</u>	<u>1,696,383</u>	<u>1,593,820</u>	<u>1,651,856</u>	<u>1,658,172</u>	<u>1,651,971</u>	<u>1,639,490</u>
Debt limit (10% of total assessed value)	144,824	170,426	171,967	168,285	169,638	159,382	165,186	165,817	165,197	163,949
Debt applicable to limit										
General obligation bonds	18,870	17,720	12,020	6,425	605	16,585	16,310	16,579	12,276	7,120
Less amount set aside for repayment of general obligation debt	(7)	(7)	(7)	(7)	(7)	-	-	-	-	-
Total net debt applicable to limit	<u>18,863</u>	<u>17,713</u>	<u>12,013</u>	<u>6,418</u>	<u>598</u>	<u>16,585</u>	<u>16,310</u>	<u>16,579</u>	<u>12,276</u>	<u>7,120</u>
Legal debt margin	<u>\$ 125,961</u>	<u>\$ 152,713</u>	<u>\$ 159,954</u>	<u>\$ 161,867</u>	<u>\$ 169,040</u>	<u>\$ 142,797</u>	<u>\$ 148,876</u>	<u>\$ 149,238</u>	<u>\$ 152,921</u>	<u>\$ 156,829</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	Water, Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2007	\$ 14,953,008	\$ 7,484,658	\$ 7,468,350	\$ 2,170,000	\$ 2,449,322	1.62
2008	15,722,157	8,266,328	7,455,829	2,440,000	1,732,081	1.79
2009	15,247,206	9,116,960	6,130,246	2,525,000	1,632,087	1.47
2010	14,787,711	9,597,229	5,190,482	2,620,000	1,581,234	1.24
2011	15,633,183	8,428,403	7,204,780	2,260,000	1,296,950	2.03
2012	15,648,637	8,897,425	6,751,212	2,745,000	1,204,413	1.71
2013	132,612,979	106,301,246	26,311,733	3,970,000	1,045,428	5.25
2014	139,614,025	109,790,886	29,823,139	7,085,000	1,313,021	3.55
2015	24,653,467	16,250,850	8,402,617	4,455,000	1,023,688	1.53
2016	26,051,295	16,718,819	9,332,476	4,635,000	849,507	1.70

NOTES

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

Water/Sewer Charges and Other includes investment earnings.

Operating expenses do not include depreciation and amortization.

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

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

CITY OF ALBANY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age (1)	Education Level in Years of Formal Schooling (1)	School Enrollment (2)	(%) Unemployment Rate (3)
2007	75,394	\$ 1,728,030	\$ 22,920 (1)	31.1	12.5	16,668	4.5 %
2008	75,825	2,971,354	39,187 (1)	33.5	12.5	16,436	4.9
2009	75,831	1,538,156	20,284 (1)	33.1	12.5	16,222	7.5
2010	75,616	2,211,617	29,248 (1)	31.1	12.5	15,960	9.76
2011	77,434	2,261,073	29,200 (1)	31.4	12	15,628	10.8
2012	77,683	2,465,270	31,735 (1)	31.5	12	15,765	10.3
2013	77,431	2,463,932	31,821 (1)	31.4	12.6	15,676	10.2
2014	76,185	2,586,938	33,956 (1)	31.1	12.8	15,439	8.4
2015	75,769	2,552,809	33,692 (1)	31.4	12.83	15,157	7.8
2016	74,843	1,601,116	21,393 (1)	31.4	12.68	15,001	6.5

SOURCES

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

CITY OF ALBANY, GEORGIA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer (1)	Fiscal Year 2016			Fiscal Year 2007		
	Employees (1)	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Phoebe Putney Health System	4,353	1	6.78 %	3,400	1	5.56 %
USMC Logistic Base (Civilian)	4,300	2	6.70	3,081	2	5.04
Dougherty County Board of Education	2,688	3	4.19	2,934	3	4.80
City of Albany (2013 includes Water, Gas & Light)	1,171	4	1.82	1,387	5	2.27
Proctor and Gamble	980	5	1.53	1,394	4	2.28
Albany State University	700	6	1.09	550	9	0.90
Dougherty County	649	7	1.01	669	7	1.09
Teleperformance USA (Formerly CallTech Communications)	529	8	0.82	474	10	0.78
MillerCoors	525	9	0.82	642	8	1.05
Darton College	426	10	0.66	-		-
Cooper Tire & Rubber Company	-		-	1,290	6	2.11
Totals	16,321		25.43 %	15821		25.88 %
Average number of employees (2)	64,170			61140		

SOURCES

(1) Albany Chamber of Commerce

(2) Bureau of Labor Statistics

2007 from City of Albany Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007.

CITY OF ALBANY, GEORGIA

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	174	140	145	147	152	154	147	147	136	165
Judicial	11	11	12	12	12	12	12	12	12	17
Public safety	404	435	466	466	484	470	479	479	478	463
Public works	41	42	42	36	45	45	45	45	49	63
Parks and recreation	57	57	60	63	63	63	63	63	55	52
Community development	12	12	12	12	12	12	12	12	15	12
Sanitary sewer	68	68	68	68	59	61	60	60	68	61
Solid waste	49	49	49	49	49	49	49	49	45	34
Airport	14	17	17	17	17	17	17	17	15	11
Transit	29	29	30	30	30	30	30	30	32	32
Civic Center	16	16	17	17	17	17	16	16	16	13
Auditorium	-	-	-	-	-	-	-	-	-	-
Water, Gas & Light	293	285	299	305	300	295	295	286	251	252
	<u>1168</u>	<u>1161</u>	<u>1217</u>	<u>1222</u>	<u>1240</u>	<u>1225</u>	<u>1225</u>	<u>1216</u>	<u>1172</u>	<u>1175</u>

SOURCE

City of Albany Finance Department

CITY OF ALBANY, GEORGIA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Sanitary sewer										
Average daily treatment (thousands of gallons)	18,653	16,230	15,958	16,369	17,477	14,675	14,128	15,799	17,476	17,300
Airport										
Daily flights	8	8	4	3	3	3	3	3	3	3
Enplaned passengers	39,954	37,109	40,835	35,128	33,164	35,218	35,770	34,665	32,305	35,066
Deplaned passengers	38,156	35,829	39,226	34,499	32,668	33,805	34,617	33,682	31,888	34,040
Based aircraft	40	35	38	39	39	35	32	30	29	32
Police										
Citations issued	11,297	10,552	11,082	N/A	N/A	N/A	N/A	10,564	10,827	18,399
DUI citations issued	96	228	153	N/A	N/A	N/A	N/A	138	37	119
Warnings issued	3,424	3,235	3,151	N/A	N/A	N/A	N/A	2,974	3,121	10,222
Crime statistics:										
Aggravated assault	284	341	389	573	465	459	476	532	536	555
Auto theft	399	379	298	347	317	225	240	188	193	156
Murder	8	8	11	8	11	15	7	7	6	13
Rape	31	34	33	44	37	36	28	27	26	30
Robbery	242	205	207	247	230	168	205	193	186	207
Burglary	1,645	1,558	1,520	1,450	1,663	1,382	1,382	1,252	1,391	1,070
Theft	3,239	3,299	3,615	3,049	3,265	3,002	3,360	3,328	3,005	2,558
Fire										
Incident responses	2,779	3,706	3,511	2,234	3,588	4,017	3,673	3,465	3,392	3,834
Public Safety Education										
Events	81	61	103	1,264	172	228	205	553	161	226
Persons contacted	124,086	110,060	6,022	3,579	9,441	18,632	37,103	42,019	20,138	26,400

SOURCE

Various City departments.

NOTE

N/A - Information not available.

CITY OF ALBANY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police										
Fleet size	170	170	170	170	171	171	171	165	219	222
Fire stations	11	11	11	11	11	11	11	11	11	11
Public Works										
Miles of streets	559	559	559	559	559	559	559	597	597	571
Number of street lights	10,420	11,247	11,247	11,247	11,247	11,247	11,279	11,285	11,285	11,295
Culture and Recreation										
Park acreage	400	400	400	400	400	400	400	400	400	400
Parks	75	75	75	75	75	75	75	75	75	75
Golf course	1	1	1	1	1	1	1	1	1	1
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	7	7	7	7	7	7	7	7	7	7
Sewerage System										
Miles of sanitary sewer	350	350	350	350	350	350	350	350	351	351
Miles of storm sewer	400	400	400	400	400	400	400	400	400	400
Number of treatment plants	1	1	1	1	1	1	1	1	1	1

SOURCE

Various City departments.

NOTE

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

SINGLE AUDIT SECTION



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

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Albany, Georgia (the "City") as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Albany, Georgia's basic financial statements and have issued our report thereon dated December 30, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2016-001 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Albany, Georgia's Responses to Findings

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The script is cursive and fluid, with the letters "M", "J", and "L" being particularly prominent.

Macon, Georgia
December 30, 2016



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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Albany, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Albany, Georgia's major federal programs for the fiscal year ended June 30, 2016. The City of Albany, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Albany, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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

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

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 30, 2016

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures	Passed-Through to Subrecipients
U.S. Department of Transportation				
Passed through State of Georgia				
Federal Transit-Capital Investment Grants	20.500	T004480	\$ 36,574	\$ -
Federal Transit-Capital Investment Grants	20.500	T004894	14,245	-
Federal Transit-Capital Investment Grants	20.500	T005304	373,817	-
ARRA-Federal Transit-Formula Grants	20.500	T005498	173,401	-
Federal Transit-Formula Grants	20.507	T005474	1,239,905	-
Total Federal Transit Cluster			<u>1,837,942</u>	<u>-</u>
Highway Planning and Construction Cluster	20.205	PL000-0012-00(394)	102,465	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	GA-80-X009-02	<u>67,697</u>	<u>-</u>
Total U.S. Department of Transportation			<u>2,008,104</u>	<u>-</u>
Federal Aviation Administration				
Direct Awards				
Airport Improvement Program	20.106	3-13-0002-043-2013	142,332	-
Airport Improvement Program	20.106	3-13-0002-043-2015	<u>73,315</u>	<u>-</u>
Total Federal Aviation Administration			<u>215,647</u>	<u>-</u>
U.S. Department of Interior				
Direct Awards				
2015 Historic Preservation Fund CLG Survey & Planning Grant	15.904	N/A	<u>14,542</u>	<u>-</u>
Total U.S. Department of Interior			<u>14,542</u>	<u>-</u>

(Continued)

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures	Passed-Through to Subrecipients
U.S. Department of Housing and Urban Development				
Direct Awards				
Community Development Block Grants/Entitlement Grants	14.218	B-13-MC-13-0001	\$ 14,421	\$ -
Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-13-0001	140,035	-
Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-13-0001	824,177	271,841
Total CDBG - Entitlement Grants Cluster			<u>978,633</u>	<u>271,841</u>
HUD-Home Partnership Investment Title II Program	14.239	M-11-MC-13-0205	63,558	-
HUD-Home Partnership Investment Title II Program	14.239	M-12-MC-13-0205	233,241	-
HUD-Home Partnership Investment Title II Program	14.239	M-13-MC-13-0205	273,931	-
HUD-Home Partnership Investment Title II Program	14.239	M-14-MC-13-0205	24,617	-
HUD-Home Partnership Investment Title II Program	14.239	M-15-MC-13-0205	100,380	-
Total HUD-Home Partnership Investment Title II Program			<u>695,727</u>	<u>-</u>
Passed-Through State of Georgia				
Supportive Housing Program	14.235	2014 HTF ER 14C017	24,783	-
Supportive Housing Program	14.235	2015 HTF ETA 15C014	1,986	-
Supportive Housing Program	14.235	2015 15E ER 15C013	34,996	-
Supportive Housing Program	14.235	2015 HTF ETA 15C307	481	-
Total Supportive Housing Program			<u>62,246</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>1,736,606</u>	<u>271,841</u>

(Continued)

CITY OF ALBANY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures	Passed-Through to Subrecipients
U.S. Department of Justice				
Direct Awards				
Bullet Proof Vest Partnership Program	16.607	2003-BU-BX-6439	\$ 2,363	\$ -
2013 Justice Assistance Grant	16.738	2013-DJ-BX-1152	1,227	-
Total U.S. Department of Justice			3,590	-
U.S. Department of Commerce				
Passed-Through State of Georgia				
Economic Development Cluster - Economic Adjustment Assistance	11.307		575,532	-
Total U.S. Department of Commerce			575,532	-
U.S. Department of Homeland Security				
Direct Awards				
Emergency Management Performance Grants	97.042	OEM15-049	28,820	-
2014 GEMA Bomb Dog Grant	97.067	EMW-2014-SS-00092-S01	2,186	-
2015 GEMA Bomb Dog Grant	97.067	EMW-2015-SS-00065-S01	1,477	-
Total Homeland Security Program			3,663	-
Total U.S. Department of Homeland Security			32,483	-
Total Expenditures of Federal Awards			<u>\$ 4,586,504</u>	<u>\$ 271,841</u>

See Notes to Schedule of Expenditures of Federal Awards

CITY OF ALBANY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1. BASIS OF PRESENTATION

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

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

NOTE 2. MEASUREMENT FOCUS

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

NOTE 3. DE MINIMIS INDIRECT COST RATE

The City chose not to use the ten percent de minimis cost rate for the year ended June 30, 2016.

NOTE 4. LOANS OUTSTANDING

The City previously used funds available under the EDA Program (Federal CFDA #11.307) to provide low-interest loans to eligible persons. Principal payments received are used to make additional loans as part of the revolving loan program. Disbursements of such loans are included as expenditures in the accompanying schedule of expenditures of federal awards in the year of disbursement. The outstanding balance of revolving loans under the EDA Program at June 30, 2016 is \$467,365.

CITY OF ALBANY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

CITY OF ALBANY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SECTION I
SUMMARY OF AUDITOR'S RESULTS (Continued)

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

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program
14.218	CDBG Entitlement Grants Cluster
14.239	HUD-Home Partnership Investment Title II Program

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

Auditee qualified as low-risk auditee? ☐ yes ☒ no

CITY OF ALBANY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2016 - 001. Management of Accounts Receivable

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

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

Effect: Adjustments to increase accounts receivable in the amount of \$78,023, increase operating transfers in the amount of \$8,669, decrease interfund receivables in the amount of \$8,669, and increase federal grant revenue in the amount of \$78,023 were required to be recorded in the Airport Fund.

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

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

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

CITY OF ALBANY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported

CITY OF ALBANY, GEORGIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2015 - 001. Management of Accounts Payable and Accrued Expenditures

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

Condition: The City did not properly address the above criteria as of June 30, 2015 as it relates to accounts payable within the SPLOST VI Fund and Non-major Funds.

Status: This finding was corrected during the fiscal year ended June 30, 2016.

2015 - 002. Management of Inventory

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

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

Status: This finding was corrected during the fiscal year ended June 30, 2016.

CITY OF ALBANY, GEORGIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2015 - 003. Management of Cash

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

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

Status: This finding was corrected during the fiscal year ended June 30, 2016.

2015 - 004. Management of Audit Adjusting Entries

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

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

Status: This finding was corrected during the fiscal year ended June 30, 2016.

CITY OF ALBANY, GEORGIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2015 - 005. Management of Accounts Receivable

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

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

Status: Unresolved. See current year finding 2016-001.

2015 - 006. Failure to Comply with Reporting Requirements

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

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

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

Status: This finding was corrected during the fiscal year ended June 30, 2016.