

**CITY OF ALBANY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Prepared by:

Derrick L. Brown  
Finance Director

**CITY OF ALBANY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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# CITY OF ALBANY, GEORGIA

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## INTRODUCTORY SECTION

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

December 30, 2019

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, 2019. 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’s financial statements for the fiscal year ending June 30, 2019. 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, Georgia is the primary trade center for Southwest Georgia. It is the county seat for Dougherty County, Georgia. Incorporated in 1853, the city lies at the head of the Flint River, 182 miles south of Atlanta and 95 miles north of Tallahassee, Florida. The city was laid out in 1836 by Alexander Shotwell and named for Albany, New York. As of the 2017 Census, the population of Albany was estimated at 75,249.<sup>1</sup>

Albany has developed a diversified industrial economy, which includes companies such as Proctor & Gamble, MillerCoors, and Mars Chocolate North America. 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 ended June 30, 2014 and going forward, comprised of major enterprise funds of the City of Albany. The City provides a full range of services including police and fire protection, road maintenance, streets, recreational activities, cultural events, and utility services including storm and sanitary sewers, solid waste, water, gas, light, and telecommunications. In addition to these general governmental activities, the City has a transit system, cemetery, airport, civic center, municipal auditorium, and golf course.

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<sup>1</sup>Source: Census Bureau ([www.census.gov](http://www.census.gov))



## ECONOMIC CONDITION AND OUTLOOK

The City serves as the distribution, retail and wholesale trade, communication, and medical center for southwest Georgia, a seven-county area. The City is served by 14 public elementary schools, 7 public secondary schools, 1 career academy, 1 public alternative school, and several private schools.<sup>2</sup> The City also offers a range of post-secondary education and adult-learning opportunities:

1. Albany State University is a proud member institution of the University System of Georgia. The university offers a broad array of graduate, baccalaureate, associate, and specialist programs at its main campuses in Albany as well as strategically-placed branch sites and online.<sup>2</sup>
2. Albany Technical College is a unit of the Georgia Department of Technical and Adult Education, offering more than 40 diploma, more than 25 degree, and over 70 technical certificate of credit programs. The college provides technical education and training support for the workforce development needs of Southwest Georgia.<sup>2</sup>
3. Turner Job Corps Center serves Albany as a no-cost education and career technical training program that helps young people ages 16 to 24 improve the quality of their lives through career technical and academic training.<sup>3</sup>
4. Troy University, with its satellite campus, offers 50 undergraduate and graduate degree programs fully online with a wide variety of concentrations. The University is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award associate, baccalaureate, master's, education specialist, and doctoral degrees.<sup>2</sup>

There have been encouraging signs of economic movement in and around Albany as evidenced by the new 320,000 square-foot Georgia Pacific lumber facility scheduled to open in early 2020. It will support 150 full-time employees with an estimated \$5 million annual payroll. This was welcome news after the destruction caused by Hurricane Michael in October 2018. It severely impacted many individuals, businesses, and the City itself, especially the Storm Water and Light Funds. The City continues to aggressively pursue new revenue sources in the areas of Natural Gas and Telecommunications, while reducing expenditures wherever possible.

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

<sup>3</sup>Source: Turner Job Corps Center ([www.turner.jobcorps.gov](http://www.turner.jobcorps.gov))

Albany continues to work toward identifying and implementing innovative ways to rebuild and restore the community's economic condition. To inspire economic growth, the City has developed an attractive initiative program to promote the growth of new businesses in the area. The City's Long-Term Financial Planning Committee ("LTFPC") and the Albany-Dougherty Economic Development Commission ("EDC") work closely together to implement this program. A Revolving Loan Fund has also been established to further encourage growth. This has resulted in a renewed interest and development in our downtown area.

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

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

### **Vision Statement**

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

### **Mission Statement**

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

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

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

One of the practices that has continued from the past strategic plan is staff performance measurement. The City Manager, as well as senior management, believes that every employee should know how their employer rates their performance. The City also affirms that every employee should make a positive contribution to the organization. Each staff member's performance is documented and monitored on a routine basis. During fiscal year 2018, the City adopted its updated five-year strategic plan.

Special Purpose Local Option Sales Tax V – The City of Albany and Dougherty County entered into an intergovernmental sales tax agreement, and in November 2004, voters approved the referendum to continue the 1% Special Purpose Local Option Sales Tax (“SPLOST”). The amount to be collected from the sales and use tax between April 1, 2005 and March 31, 2011 was estimated to be \$108 million. Sixty-two percent, or \$65.9 million, of those funds was allocated for City administered projects and non-profit organizations. The City projects funded through SPLOST V included: \$6.7 million Civic Center debt retirement, \$2.5 million Civic Center infrastructure improvements, \$1.7 million Airport improvements, \$6.6 million upgrade to the 800 MHz radio and tower, \$6.7 million for road improvements, \$3.4 million Public Safety equipment and training facility, \$5.1 million for the Recreation Master Plan and facility renovations, \$2.5 million traffic improvements and GIS aerial photography, and disparity study for \$350,000. Also included are projects for community organizations and other capital purchases and improvements: \$2 million to the Chehaw Wild Animal Park Authority, \$3.9 million for the Thronateeska Heritage Center improvements, \$4.0 million to the Albany Civil Rights Institute, and \$5.1 million for Riverfront Park. Most projects for this SPLOST series are complete. Therefore, spending should decrease until the end of this SPLOST series.

Special Purpose Local Option Sales Tax VI – The City of Albany and Dougherty County entered into an intergovernmental sales tax agreement, and in November 2010, voters approved the referendum to continue the 1% SPLOST. The amount to be collected from the sales and use tax between April 1, 2011 and March 31, 2017 was estimated to be \$98 million. Sixty-four percent, or \$62.7 million, of those funds was to be used for City administered projects and non-profit organizations. The City projects to be funded through SPLOST VI included: \$4.3 million Airport improvements, \$8.5 million Sewer and Storm improvements, \$13 million Roadway and Traffic improvements, \$1 million Sidewalk replacements, \$3.2 million Alley Paving and improvements, \$11.9 million Public Safety equipment and upgrades, \$4.4 million Transit improvements, and \$4.4 million Recreational improvements. Also included are projects for community organizations and other capital purchases and improvements: \$2.1 million to the Chehaw Wild Animal Park Authority, \$2.1 million for the Thronateeska Heritage Center improvements, and \$3.3 million for the Senior Citizens Center.

Special Purpose Local Option Sales Tax VII – The City of Albany and Dougherty County entered into an intergovernmental sales tax agreement, and in November 2016, voters approved the referendum to continue the 1% SPLOST. The amount to be collected from the sales and use tax between April 1, 2017 and March 31, 2023 is estimated to be \$92.5 million. Sixty-four percent, or \$59.2 million, of those funds are to be used for City administered projects and non-profit organizations. The City projects to be funded through SPLOST VII include: \$10 million Street resurfacing, \$4.5 million Alley Paving, \$2.5 million Sidewalks and Streetscape, \$5.9 million Sewer and Storm Water improvements, \$6 million Underground Cable installation and Street Light upgrades, \$5.9 million Public Safety equipment and Fire Station, \$4.7 million Recreational renovations, and \$4.8 million Aviation Terminal Building and Transportation Center. Also included are projects for community organizations and other capital purchases and improvements: \$1 million Chehaw Park Authority, \$650,000 Jefferson Street Pool renovations, and \$425,000 for Thronateeska Heritage Center improvements. A complete list of the projects and further details regarding the program are available at [www.albanyga.gov](http://www.albanyga.gov).

Total revenue generated for fiscal year 2019 for SPLOST programs was \$10.8 million with expenditures totaling \$17.9 million.

## **FINANCIAL INFORMATION**

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

## **BUDGETARY CONTROL**

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

## **CASH MANAGEMENT**

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

## **OTHER INFORMATION**

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

## **INDEPENDENT AUDIT**

The financial statements have been prepared in compliance with governmental financial reporting guidelines issued by the Government Finance Officers Association ("GFOA") 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 GFOA of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Albany, Georgia for its comprehensive annual financial reports for twenty-seven consecutive fiscal years from 1991 to 2018. 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-seventh 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.

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. Together, we are truly "On the Road to Success"!

Respectfully submitted,

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

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

A handwritten signature in blue 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, 2018**

*Christopher P. Morrill*

Executive Director/CEO

# **CITY OF ALBANY, GEORGIA**

## **PRINCIPAL OFFICIALS**

**JUNE 30, 2019**

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### **ELECTED**

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

### **STAFF**

<b>Sharon D. Subadan</b>	<b>City Manager</b>
<b>Derrick L. Brown</b>	<b>Finance Director</b>



## FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Albany, Georgia** (the "City"), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Albany, Georgia's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Albany, Georgia as of June 30, 2019, 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.

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***Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") (on pages 5 – 25), the Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of Employer Contributions, Schedule of Investment Returns, and the Other Post-Employment Benefit Plan Schedule of Changes in the City's Total OPEB Liability and Related Ratios (on pages 108 – 111) 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 ("SPLOST") proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

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The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of SPLOST 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, 2019, 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, 2019

# CITY OF ALBANY, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

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

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

### FINANCIAL HIGHLIGHTS

#### Government wide Financial Statements

- ❑ At the close of the fiscal year, the assets of the City exceeded its liabilities by \$356,307,891. Of this amount, \$52,634,505 (14.8%) represents unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.
- ❑ At the close of the current fiscal year, the net position of the City's *business-type activities* was \$226,859,216. This represented an increase of \$5,642,978 (2.6%) 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 \$129,448,675. This represented a decrease of \$12,111,064 (8.6%) from the prior year's net position for governmental activities.

#### Fund Financial Statements

- ❑ The General Fund, the chief operating fund of the City, had a total fund balance of \$32,506,248 as of June 30, 2019. Of this amount, \$25,037,962 (77.0%) was unassigned.
- ❑ The General Fund had revenues of \$53,952,654 for the current fiscal year. Of this amount, \$15,923,839 (29.5%) was from property taxes, \$10,740,179 (19.9%) was from other taxes, and \$10,717,485 (19.9%) was from sales taxes.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Debt Obligations

- ❑ Long-term debt obligations from primary governmental activities increased \$6,849,202 (6.9%) from \$99,008,957 at June 30, 2018, to \$105,858,159 at June 30, 2019.
- ❑ Long-term debt obligations from business type activities increased \$14,643,307 (28.8%), from \$50,861,953 at June 30, 2018, to \$65,505,260 at June 30, 2019.

## 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 like a private-sector business.

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

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, parks and recreation, and community development. The business-type activities of the City include sanitary sewer, solid waste, transit, civic center, airport, storm water, telecommunication, water, gas and light. The government-wide statements split the internal service funds (workers compensation, utility internal service fund, R3M fund, self-administered insurance fund, public employee health plan, and fleet management) into their share of functions in which they serve, either governmental or business-type.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The government-wide financial statements can be found on pages 26 – 29 of this report.

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

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

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

The City maintains four 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 Special Revenue Funds (Hotel/Motel Tax Fund, Grant Fund, Downtown Development Authority, Computer Aided Dispatch, Albany-Dougherty Inner City Authority, Gortatowsky Fund, and Tax Allocation District Fund); and one Capital Projects Fund (Public Improvement Fund). Data on these eight 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.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The governmental funds financial statements can be found on pages 30 – 36 of this report.

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

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

The remaining six non-major proprietary funds are internal service funds (Self-Administered Insurance Fund, Public Employees' Group Health Plan ("PEGHP") Fund, Workers' Compensation Fund, R3M Fund, Utility Internal Service Fund, and the Fleet Management Fund). These six 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City presents its financial statements under the reporting model required by GASB Statement No. 34. Under this statement, the City is not required to restate prior periods for the purposes of providing comparative information. A comparative analysis of government-wide information for fiscal years ending June 30, 2018 and June 30, 2019, 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 \$356,307,891 as of June 30, 2019.

As shown on Table 1, the largest portion of the City's net position, \$267.3 million (75.0%), 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, \$36.4 million (10.2%), 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 \$52.6 million (14.8%) is unrestricted and may be used to meet the City's obligations to citizens and creditors in accordance with the finance-related legal requirements reflected in the City's fund structure.

At the end of the fiscal year ended June 30, 2019, 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**TABLE 1**

### City of Albany Statement of Net Position - Primary Government Fiscal Years 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	FY 2019	FY 2018	FY 2019	FY 2018	FY2019	FY2018
Current and Other Assets	\$ 130,268,873	\$ 139,777,811	\$ 103,902,535	\$ 84,380,491	\$ 234,171,408	\$ 224,158,302
Capital Assets	110,275,441	100,382,414	196,731,095	190,978,665	307,006,536	291,361,079
<b>TOTAL ASSETS</b>	<b>240,544,314</b>	<b>240,160,225</b>	<b>300,633,630</b>	<b>275,359,156</b>	<b>541,177,944</b>	<b>515,519,381</b>
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>15,541,545</b>	<b>17,849,606</b>	<b>9,718,792</b>	<b>10,196,325</b>	<b>25,260,337</b>	<b>28,045,931</b>
Current and Other Liabilities	18,254,191	19,211,428	25,768,783	20,353,535	44,022,974	39,564,963
Long-term Liabilities	101,598,154	95,250,975	56,498,823	43,985,708	158,096,977	139,236,683
<b>TOTAL LIABILITIES</b>	<b>119,852,345</b>	<b>114,462,403</b>	<b>82,267,606</b>	<b>64,339,243</b>	<b>202,119,951</b>	<b>178,801,646</b>
<b>TOTAL DEFERRED INFLOWS</b>	<b>6,784,839</b>	<b>1,987,689</b>	<b>1,225,600</b>	<b>-</b>	<b>8,010,439</b>	<b>1,987,689</b>
Net Position:						
Net Investment in Capital Assets	99,138,138	96,269,861	168,121,755	177,969,653	267,259,893	274,239,514
Restricted	27,403,396	25,715,167	9,010,097	8,789,909	36,413,493	34,505,076
Unrestricted	2,907,141	19,574,711	49,727,364	34,456,676	52,634,505	54,031,387
<b>TOTAL NET POSITION</b>	<b>\$ 129,448,675</b>	<b>\$ 141,559,739</b>	<b>\$ 226,859,216</b>	<b>\$ 221,216,238</b>	<b>\$ 356,307,891</b>	<b>\$ 362,775,977</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

In Table 1(a), the 2019 Statement of Net Position is compared to the results for the prior fiscal year. In Table 2(a), the 2018 and 2019 Statement of Activities for the primary government is compared. Revenues increased by \$5.1 million from 2018 to 2019; the total expenses for the same period increased by \$29.4 million.

**TABLE 1 (a)**

### City of Albany Comparison of Net Position for Primary Government Fiscal Years 2019 and 2018

	Total Primary Government FY 2019	Total Primary Government FY 2018	Increase (Decrease)
Current and Other Assets	\$ 234,171,408	\$ 224,158,302	\$ 10,013,106
Capital Assets	307,006,536	291,361,079	15,645,457
<b>TOTAL ASSETS</b>	<b>\$ 541,177,944</b>	<b>\$ 515,519,381</b>	<b>\$ 25,658,563</b>
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>\$ 25,260,337</b>	<b>\$ 28,045,931</b>	<b>\$ (2,785,594)</b>
Current and Other Liabilities	44,022,974	39,564,963	4,458,011
Long-term Liabilities	158,096,977	139,236,683	18,860,294
<b>TOTAL LIABILITIES</b>	<b>202,119,951</b>	<b>178,801,646</b>	<b>23,318,305</b>
<b>TOTAL DEFERRED INFLOWS</b>	<b>8,010,439</b>	<b>1,987,689</b>	<b>6,022,750</b>
Net Position:			
Net Investment in Capital Assets	267,259,893	274,239,514	(6,979,621)
Restricted	36,413,493	34,505,076	1,908,417
Unrestricted	52,634,505	54,031,387	(1,396,882)
<b>TOTAL NET POSITION</b>	<b>\$ 356,307,891</b>	<b>\$ 362,775,977</b>	<b>\$ (6,468,086)</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**TABLE 2**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY2019</b>	<b>FY2018</b>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 7,591,776	\$ 6,973,497	\$ 171,678,091	\$ 171,915,766	\$ 179,269,867	\$ 178,889,263
Operating Grants and Contributions	12,553,452	12,963,827	1,095,785	2,638,205	13,649,237	15,602,032
Capital Grants and Contributions	12,031,619	11,476,443	2,859,625	3,149,058	14,891,244	14,625,501
<b>General Revenues:</b>						
Property Taxes	16,303,721	16,202,550	-	-	16,303,721	16,202,550
Sales Taxes	10,717,485	9,271,522	-	-	10,717,485	9,271,522
Other Taxes	13,349,500	12,547,925	-	-	13,349,500	12,547,925
Investment Income	3,513,176	55,045	822,611	193,372	4,335,787	248,417
Gain/(Loss) on Sale or Disposal of Capital Assets	-	-	126,006	113,944	126,006	113,944
<b>TOTAL REVENUES</b>	<b>76,060,729</b>	<b>69,490,809</b>	<b>176,582,118</b>	<b>178,010,345</b>	<b>252,642,847</b>	<b>247,501,154</b>
Expenses:						
General Government	25,163,491	10,182,547	-	-	25,163,491	10,182,547
Judicial	1,216,573	1,207,165	-	-	1,216,573	1,207,165
Public Safety	37,619,568	34,632,491	-	-	37,619,568	34,632,491
Public Works	12,857,791	11,225,072	-	-	12,857,791	11,225,072
Parks and Recreation	9,426,349	7,473,268	-	-	9,426,349	7,473,268
Community Development	6,748,327	6,301,517	-	-	6,748,327	6,301,517
Community Service	494,888	495,647	-	-	494,888	495,647
Interest on Long-term debt	609,239	627,757	-	-	609,239	627,757
Sewer	-	-	13,929,469	12,874,269	13,929,469	12,874,269
Solid Waste	-	-	7,651,569	11,290,932	7,651,569	11,290,932
Airport	-	-	4,053,762	3,993,128	4,053,762	3,993,128
Water	-	-	10,752,410	11,156,709	10,752,410	11,156,709
Gas	-	-	11,201,256	14,822,635	11,201,256	14,822,635
Light	-	-	90,712,268	86,150,688	90,712,268	86,150,688
Telecommunications	-	-	3,099,818	2,973,103	3,099,818	2,973,103
Transit	-	-	5,752,566	6,416,909	5,752,566	6,416,909
Storm Water	-	-	14,553,068	5,791,487	14,533,068	5,791,487
Civic Center	-	-	3,268,521	2,065,330	3,268,521	2,065,330
<b>TOTAL EXPENSES</b>	<b>94,136,226</b>	<b>72,145,464</b>	<b>164,974,707</b>	<b>157,535,190</b>	<b>259,110,933</b>	<b>229,680,654</b>
Increase/(decrease) before transfers	(18,075,497)	(2,654,655)	11,607,411	20,475,155	(6,468,086)	17,820,500
Transfers	5,964,433	11,114,425	(5,964,433)	(11,114,425)	-	-
<b>CHANGE IN NET POSITION</b>	<b>(12,111,064)</b>	<b>8,459,770</b>	<b>5,642,978</b>	<b>9,360,730</b>	<b>(6,468,086)</b>	<b>17,820,500</b>
Net Position - Beginning of year	141,559,739	133,099,969	221,216,238	211,855,508	362,775,977	344,955,477
Net Position - End of year	\$ 129,448,675	\$ 141,559,739	\$ 226,859,216	\$ 221,216,238	\$ 356,307,891	\$ 362,775,977

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**TABLE 2 (a)**

### City of Albany Comparison of Activities for Primary Government Fiscal Years 2019 and 2018

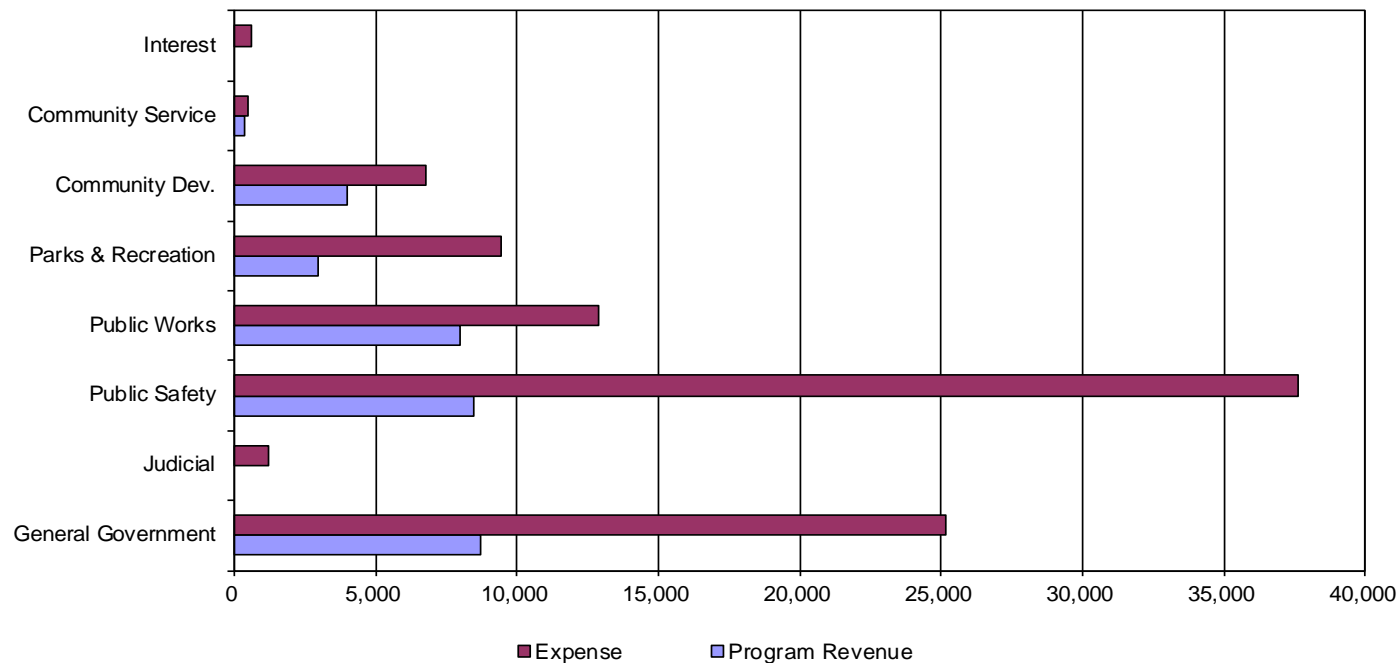
	Total Primary Government FY 2019	Total Primary Government FY 2018	Increase (Decrease)
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 179,269,867	\$ 178,889,263	\$ 380,604
Operating Grants and Contributions	13,649,237	15,602,032	(1,952,795)
Capital Grants and Contributions	14,891,244	14,625,501	265,743
General Revenues:			
Property taxes	16,303,721	16,202,550	101,171
Sales taxes	10,717,485	9,271,522	1,445,963
Other taxes	13,349,500	12,547,925	801,575
Investment income	4,335,787	248,417	4,087,370
Gain/(Loss) on Sale or Disposal of Capital Assets	126,006	113,944	12,062
<b>TOTAL REVENUES</b>	<b>252,642,847</b>	<b>247,501,154</b>	<b>5,141,693</b>
<b>Expenses:</b>			
General government	25,163,491	10,182,547	14,980,944
Judicial	1,216,573	1,207,165	9,408
Public safety	37,619,568	34,632,491	2,987,077
Public works	12,857,791	11,225,072	1,632,719
Parks and recreation	9,426,349	7,473,268	1,953,081
Community development	6,748,327	6,301,517	446,810
Community service	494,888	495,647	(759)
Interest on long-term debt	609,239	627,757	(18,518)
Sewer	13,929,469	12,874,269	1,055,200
Solid waste	7,651,569	11,290,932	(3,639,363)
Airport	4,053,762	3,993,128	60,634
Water	10,752,410	11,156,709	(404,299)
Gas	11,201,256	14,822,635	(3,621,379)
Light	90,712,268	86,150,688	4,561,580
Telecommunications	3,099,818	2,973,103	126,715
Transit	5,752,566	6,416,909	(664,343)
Storm Water	14,553,068	5,791,487	8,761,581
Civic Center	3,268,521	2,065,330	1,203,191
<b>TOTAL EXPENSES</b>	<b>259,110,933</b>	<b>229,680,654</b>	<b>29,430,279</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (6,468,086)</b>	<b>\$ 17,820,500</b>	<b>\$ (24,288,586)</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Governmental Activities

Governmental Activities decreased the City's net position by \$12,111,064. Revenues from governmental activities totaled \$76,060,729; with operating grants (16.5%), capital grants and contributions (15.8%), property taxes (21.4%), other taxes (17.6%), sales taxes (14.1%), and charges for services (10.0%) contributing to the City's revenues. Expenses for governmental activities were \$94,136,226, of which 34.2% was supported from program revenues and 46.6% from general revenues. Expenses for Public Safety (40.0%), General Government (26.7%), Public Works Admin & Streets (13.7%) make-up 80.4% of the total expense for governmental activities.

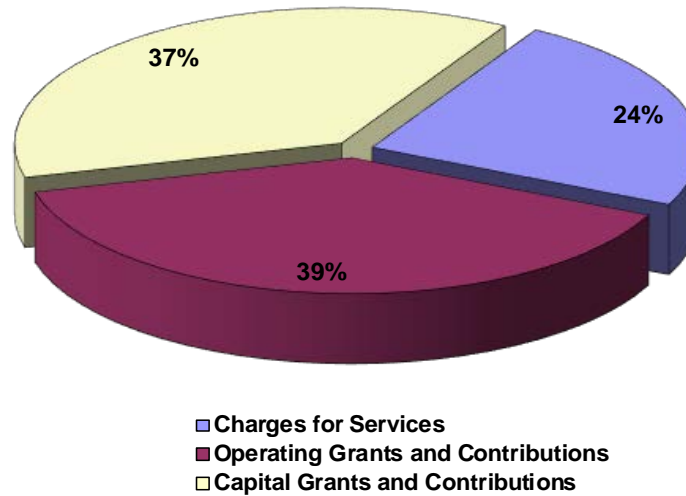
**Expenses and Program Revenues - Governmental Activities (in thousands)**



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Governmental Activities - Breakout of Program Revenue



### Business-type Activities

Business-type activities increased the City's net assets by \$5,642,978. As of June 30, 2019, total business-type net assets were \$226,859,216 of which \$168,121,755 was invested in capital assets; \$9,010,097 was restricted; and \$49,727,364 was unrestricted.

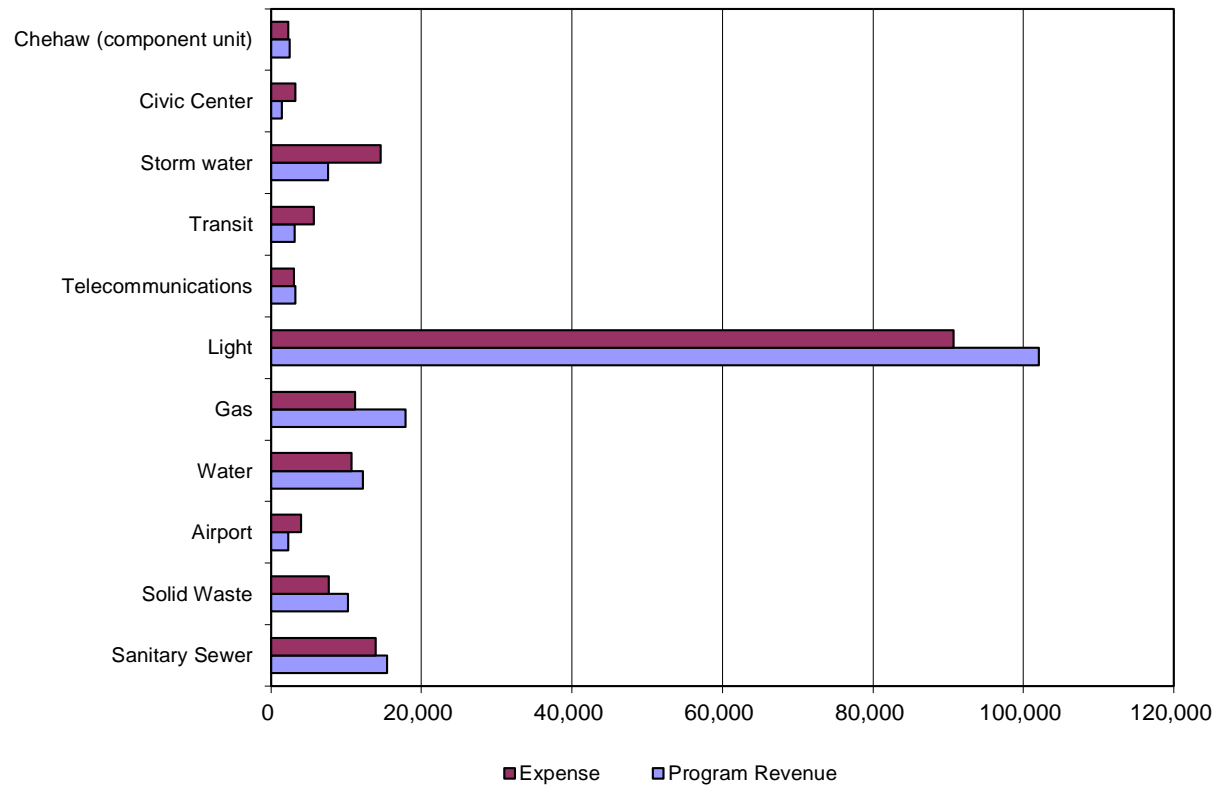
Revenues totaled \$176,582,118 with 99.5% of revenues coming from Program Revenues. (See chart "Business-Type Activities – Breakout by Revenues"). Total expenses were \$164,974,707. The largest expenses were Light (55.0%) and Gas (6.8%).



## MANAGEMENT'S DISCUSSION AND ANALYSIS

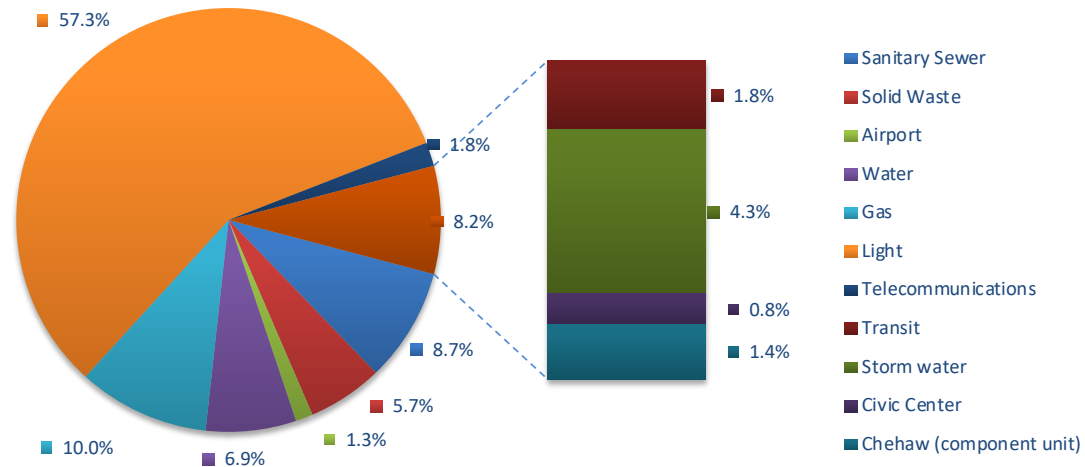
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Expenses and Program Revenues - Business Type Activities (in thousands)



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 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'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'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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$105,470,985 a decrease of \$3,578,130 in comparison from the prior year. \$22,414,057 (21.3%) constituted unassigned fund balance, which is available for spending at the government's discretion. The remaining \$83,056,928 of the fund balance (78.7%) is divided as follows: \$192,266 is non-spendable due to being in a form such as, inventory or prepaid items; \$35,297,092 is legally restricted by an outside authority or a legal agreement, such as SPLOST or loans; and a combined total of \$47,567,570 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, 2019, the *unassigned* fund balance in the general fund was \$25,037,962; the total fund balance was \$32,506,248, an increase of \$33,598 compared to 2018.

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 68.4% of the total general fund expenditures, while total fund balance represents 68.8% of that same amount. When *transfers out* are added to *expenditures*, the available fund balance represents 53.3% of expenditures plus transfers, while the total fund balance represents 53.6% of this amount.

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

Transfers in From Other funds (\$17,720,546) represent transfers from the Hotel/Motel Tax, Sewer, Storm Water, Solid Waste, Water, Gas, Telecommunications, and Light Funds.

Funding for component units (\$882,000) represents an agreed payment to Chehaw Park Authority, a separate component unit of the City. The funds are used by Chehaw Park Authority to subsidize the operation of the park. This amount is included as parks and recreation expenditures.

Other transfers out represent General Fund support of the following funds during the fiscal year: Transit, Grant, Public Employees Group Health Plan, Computer-Aided Dispatch, Civic Center, Airport, DDA, and Public Improvement Funds.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

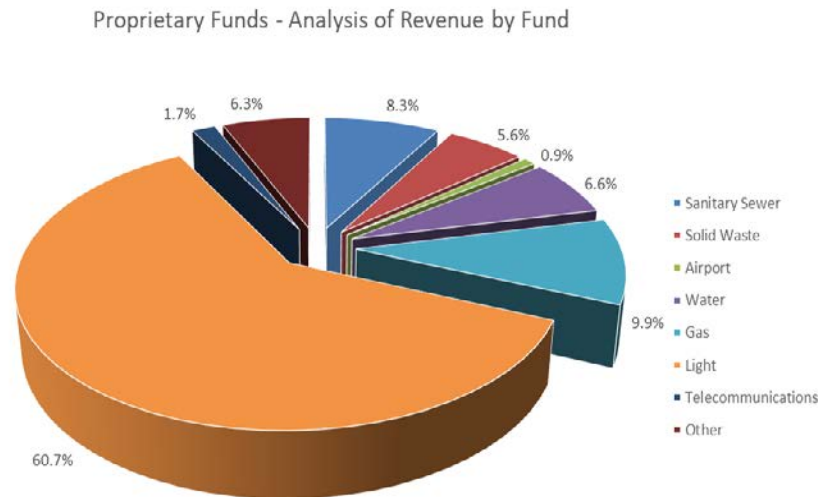
During the fiscal year ended June 30, 2019, the City's General Fund balance increased by \$33,598. The following contributed to the change:

- ❑ Actual revenues were \$3,742,456 over budget, while expenditures were \$5,967,458 under budget.
- ❑ The General Fund transferred \$6.2 million into the Capital Improvement Fund for the LED Streetlight Project funded by the MCT Credits.
- ❑ The General Fund transferred \$700 Thousand into the Public Employees Group Health Plan Fund to fund a portion of the net loss for fiscal year.

During the fiscal year ended June 30, 2019, the City's Community Development and SPLOST Fund balances decreased by \$934,101 and increased by \$561,796 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, 2019, the proprietary funds had total operating revenues of \$175.6 million. Based on revenues, the largest proprietary fund is the Light Fund (60.7%) followed by the Gas Fund (9.9%). See chart below for an overview of revenue by proprietary fund.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The change in net position for Proprietary Funds was \$5,642,978 representing a 2.6% increase from the prior year's adjusted net position balance of \$214,985,953. The net change was the result of the following:

### Financial Analysis of the Fund Financial Statements

<u>Property funds</u>	<u>Change in Net Position</u>
Sanitary Sewer Fund	\$ 4,055,872
Storm Water	(5,949,965)
Airport Fund	(261,963)
Water	480,262
Light	350,006
Gas	1,231,865
Nonmajor Enterprise Funds	(2,382,583)
GASB Adjustment	8,119,484
<b>Total Change in Net Position</b>	<b>\$ 5,642,978</b>

The Sewer Fund received a large capital contribution in the amount of \$5,642,457 for the SPLOST infrastructure that will be an asset of the sewer system. The Storm Water Fund has incurred over \$8.5 million in Hurricane Michael expenses and Category A (Debris Removal) allowable expenses are fully reimbursable by FEMA & GEMA. Only \$3.3 million in revenue of the \$8.5 million were recognized in fiscal year ended June 30, 2019 due to the timeliness of reimbursement obligations from the federal and state agencies. Also, Transit & Civic Center Funds make up \$1.8 million of the \$2.3 million loss in the Nonmajor Enterprise Funds.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the budgeted revenues and expenditures equal the net effect of the transfers in and out between other funds. Because of the relatively flat economy, the City was conservative in estimating tax and license revenue. The City's revenues were 7.5% over the budgeted amount due to sale tax revenue increase over the last six months of the fiscal year and gains on investments. The City's expenditures were 8.5% 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**TABLE 3**

**City of Albany  
General Fund  
Statement of Revenues and Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2019**

	General Fund			
	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Property taxes	\$ 15,654,311	\$ 15,654,311	\$ 15,923,839	\$ 269,528
Sales taxes	9,584,718	9,584,720	10,717,485	1,132,765
Other taxes	10,591,409	10,591,409	10,740,179	148,770
Licenses and permits	1,084,490	1,084,489	1,250,806	166,317
Intergovernmental	11,469,736	11,469,736	11,176,139	(293,597)
Charges for services	346,170	346,170	382,530	36,360
Fines and forfeitures	1,334,470	1,334,470	931,776	(402,694)
Interest income	-	-	2,366,856	2,366,856
Other	144,893	144,893	463,044	318,151
<b>TOTAL REVENUES</b>	<b>\$ 50,210,197</b>	<b>\$ 50,210,198</b>	<b>\$ 53,952,654</b>	<b>\$ 3,742,456</b>
<b>Expenditures:</b>				
General government	12,923,359	13,431,921	12,186,680	1,245,241
Judicial	1,599,869	1,605,518	1,156,564	448,954
Public safety	33,969,249	33,968,658	31,882,148	2,086,510
Public works	5,241,616	6,901,764	5,422,379	1,479,385
Parks and recreation	7,548,929	8,098,806	7,398,550	700,256
Community service (subsidized agencies)	502,000	502,000	494,888	7,112
<b>TOTAL EXPENDITURES</b>	<b>\$ 61,785,022</b>	<b>\$ 64,508,667</b>	<b>\$ 58,541,209</b>	<b>\$ 5,967,458</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 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, 2019, amounts to 307,006,536 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment and vehicles, infrastructure, and construction in progress. Additional information on the City's capital assets can be found in Note 5 on pages 68 – 71 of this report.

TABLE 4

**City of Albany  
Capital Assets (Net of Depreciation)  
For the Fiscal Year Ended June 30, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Capital assets not being depreciated:			
Land	\$ 15,644,207	\$ 14,294,298	\$ 29,938,505
Construction in Progress	9,157,484	17,694,977	26,852,464
<b>Total assets not depreciated</b>	<b>24,801,691</b>	<b>31,989,275</b>	<b>56,790,966</b>
Capital assets being depreciated:			
Buildings and improvements	78,007,444	149,148,078	227,155,522
Equipment and vehicles	31,037,362	63,962,426	94,999,788
Infrastructure	86,439,071	161,113,289	247,552,360
<b>Total assets depreciated</b>	<b>195,483,877</b>	<b>374,223,793</b>	<b>569,707,670</b>
Less accumulated depreciation:			
Buildings and improvements	32,003,970	78,173,027	110,176,997
Equipment and vehicles	19,719,773	46,758,070	66,477,843
Infrastructure	58,286,384	84,550,876	142,837,260
<b>Total accumulated depreciation</b>	<b>110,010,127</b>	<b>209,481,973</b>	<b>319,492,100</b>
<b>Total assets depreciated, net</b>	<b>85,473,750</b>	<b>164,741,820</b>	<b>250,215,570</b>
<b>Capital assets, net</b>	<b>\$ 110,275,441</b>	<b>\$ 196,731,095</b>	<b>\$ 307,006,536</b>

**Long-term Debt.** At the end of the current fiscal year, the City's total long-term debt outstanding is \$171.4 million – an increase of \$21.5 million over the previous year. Of this amount, \$13.3 million is due within one year. Net Pension Liability (50.8%), OPEB Liabilities (17.5%), Financed purchase from direct borrowing (10.7%), Certificates of Participation (5.8%) and Revenue Bonds (4.8%) make up \$153.5 million of the total. The remaining \$17.9 million is comprised of notes payable, notes from direct borrowings, general obligation bonds, OPEB liability, manufactured gas plant, and compensated absences. Additional information regarding the City's long-term debt can be found in Note 6 pages 72 – 86.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**TABLE 5**

### City of Albany Long-Term Obligations For the Fiscal Year Ended June 30, 2019

	Balance at June 30, 2019	Percentage of Total	Due Within One Year
<b>Governmental Activities:</b>			
Bonds payable	\$ 1,550,000	0.9%	\$ 290,000
Notes payable	1,425,000	0.8%	300,000
Notes from direct borrowings	5,316,250	3.1%	-
Certificates of participation	10,000,000	5.8%	-
OPEB Liability	29,943,480	17.5%	-
Net Pension Liability	53,545,646	31.2%	-
Compensated absences	4,077,783	2.4%	3,670,005
Governmental long-term liabilities	<u>\$ 105,858,159</u>		<u>\$ 4,260,005</u>
<b>Business-Type Activities:</b>			
Bonds Payable:			
Revenue bonds	\$ 8,260,000		\$ 3,780,000
Add deferred amounts Unamortized premium	3,203		-
Total bonds payable	8,263,203	4.8%	3,780,000
Financed purchase from direct borrowing	18,300,000	10.7%	2,620,000
Notes Payable	1,507,824	0.9%	77,407
Manufactured gas plant	1,178,187	0.7%	-
Net Pension Liability	33,443,793	19.5%	-
Compensated absences	2,812,253	1.6%	2,529,030
Business-Type long-term liabilities	<u>65,505,260</u>		<u>9,006,437</u>
<b>Total primary government liabilities</b>	<u>\$ 171,363,419</u>		<u>\$ 13,266,442</u>



## MANAGEMENT’S DISCUSSION AND ANALYSIS

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The General Obligation Bonds relate to bonds issued for the Albany-Dougherty Inner City Authority (“ADICA”). The Revenue Bonds relate to sewer system revenue bonds issued in 2007 and 2011 and Water bonds issued in 2005 and 2010. The Finance purchase from direct borrowing is for an Advanced Metering Infrastructure system. The Certificates of Participation represent the City’s purchase of equipment and vehicles from the Georgia Municipal Association Pooled Bond Funds. The Notes Payable represents the City’s obligations to the US Department of Housing and Urban Development for the development of the Hilton Garden Inn and Conference Center. Compensated absences represent the City’s obligation for accrued vacation and sick leave.

### Bond Ratings

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

	<u>Moody’s</u>	<u>S&amp;P</u>
Sewer Revenue Bonds	Aaa	AAA
ADICA Bonds	A-3	-
Water Revenue Bonds	A-3	-

### ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

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

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

Since 2009, the City has been receiving a temporary revenue stream in the form of the “MEAG Credit”. Fiscal year 2019 is the final year that the City will receive this revenue. To prepare for its end, the City has not relied on it to balance the budget since fiscal year 2016.

The City has been able to realize substantial savings through the economies of scale with regards to the utilization of similar roles in the Utility departments. As the City moved forward into the current year, emphasis was placed on expansion of all Utility Funds to offset the decrease in property and sales tax revenues.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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These are all positive steps which prepared the city to be ready for the loss of the temporary revenue stream in 2019. The City adopted a five-year strategic plan and updated its financial policies in 2018 to assist with its long-term success. The adoption of the T-SPLOST referendum and seeking non-traditional revenue sources continue to assist the City in the investment of infrastructure and minimize long-term impacts of weather events that have occurred.

### REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Albany, Georgia'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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Chehaw Park Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 29,430,145	\$ 41,196,004	\$ 70,626,149	\$ 385,147
Investments	73,282,539	24,671,230	97,953,769	-
Taxes receivable	245,915	-	245,915	-
Accounts receivable, net of allowances	4,179,733	25,118,225	29,297,958	2,936
Notes receivable	8,885,380	-	8,885,380	-
Inventories	183,291	4,107,072	4,290,363	19,769
Internal balances	5,329,492	(5,329,492)	-	-
Due from other governments	6,119,332	4,874,000	10,993,332	-
Due from component unit	18,000	-	18,000	-
Prepaid expenses	8,975	255,399	264,374	-
Restricted assets:				
Investments	-	9,010,097	9,010,097	-
Fair value of interest rate swap agreement	2,586,071	-	2,586,071	-
Capital assets:				
Non-depreciable	24,801,691	31,989,275	56,790,966	2,579,464
Depreciable, net of accumulated depreciation	85,473,750	164,741,820	250,215,570	5,972,220
Total assets	<u>240,544,314</u>	<u>300,633,630</u>	<u>541,177,944</u>	<u>8,959,536</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	43,050	38,672	81,722	-
Net difference between projected and actual earnings on pension plan investments - Pension	2,607,748	1,628,757	4,236,505	-
Differences between expected and actual experience of economic/demographic (gains)/losses - pension	921,103	575,305	1,496,408	-
Change in assumptions - pension	7,253,370	4,530,344	11,783,714	-
City contributions subsequent to the measurement date - pension	4,716,274	2,945,714	7,661,988	-
Total deferred outflows of resources	<u>15,541,545</u>	<u>9,718,792</u>	<u>25,260,337</u>	<u>-</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET POSITION JUNE 30, 2019

	Primary Government			Component Unit
	Governmental	Business-type	Total	Chehaw Park
	Activities	Activities		Authority
<b>LIABILITIES</b>				
Accounts payable	\$ 6,666,291	\$ 11,580,278	\$ 18,246,569	\$ 49,808
Retainage payable	782,799	538,313	1,321,112	-
Accrued expenses	3,092,155	905,371	3,997,526	53,922
Claims payable	3,003,760	-	3,003,760	-
Due to primary government	-	-	-	18,000
Due to other governments	61,422	-	61,422	-
Unearned revenues	387,759	1,311,949	1,699,708	-
Line of credit	-	-	-	66,240
Advance payments and customer deposits	-	80,953	80,953	17,899
Payable from restricted assets:				
Current maturities of long-term debt	-	3,780,000	3,780,000	-
Customer deposits	-	2,345,482	2,345,482	-
Certificates of participation, due in more than one year	10,000,000	-	10,000,000	-
Bonds payable, due within one year	290,000	-	290,000	-
Bonds payable, due in more than one year	1,260,000	4,483,203	5,743,203	-
Notes payable, due within one year	300,000	77,407	377,407	-
Notes payable, due in more than one year	6,441,250	1,430,417	7,871,667	-
Capital leases payable, due within one year	-	2,620,000	2,620,000	-
Capital leases payable, due in more than one year	-	15,680,000	15,680,000	-
Compensated absences payable, due within one year	3,670,005	2,529,030	6,199,035	-
Compensated absences payable, due in more than one year	407,778	283,223	691,001	-
Net pension liability, due in more than one year	53,545,646	33,443,793	86,989,439	-
OPEB liability, due in more than one year	29,943,480	-	29,943,480	-
Other long-term liabilities - manufactured gas plant	-	1,178,187	1,178,187	-
Total liabilities	<u>119,852,345</u>	<u>82,267,606</u>	<u>202,119,951</u>	<u>205,869</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET POSITION JUNE 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Chehaw Park Authority
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Accumulated increase in fair value of hedging derivative	\$ 2,586,071	\$ -	\$ 2,586,071	\$ -
Differences between expected and actual experience of economic/demographic (gains)/losses - pension	1,962,270	1,225,600	3,187,870	-
Change in assumptions - OPEB	2,236,498	-	2,236,498	-
Total deferred inflows of resources	<u>6,784,839</u>	<u>1,225,600</u>	<u>8,010,439</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	99,138,138	168,121,755	267,259,893	8,551,684
Restricted for:				
Federal programs	1,510,774	-	1,510,774	-
Promotion of tourism	534,321	-	534,321	-
Public safety	15,510	-	15,510	-
Gortatowsky endowment	52,891	-	52,891	-
Capital projects	25,289,900	-	25,289,900	-
Debt service	-	9,010,097	9,010,097	-
Unrestricted (deficit)	2,907,141	49,727,364	52,634,505	201,983
Total net position	<u>\$ 129,448,675</u>	<u>\$ 226,859,216</u>	<u>\$ 356,307,891</u>	<u>\$ 8,753,667</u>

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

# CITY OF ALBANY, GEORGIA

## STATEMENT OF ACTIVITIES JUNE 30, 2019

	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	
<b>Functions/Programs</b>								
Primary Government								
Governmental Activities:								
General government	\$ 25,163,491	\$ 1,691,373	\$ 6,597,821	\$ 126,513	\$ (16,747,784)	\$ -	\$ (16,747,784)	\$ -
Judicial	1,216,573	-	-	-	(1,216,573)	-	(1,216,573)	-
Public safety	37,619,568	2,616,957	4,764,182	1,099,712	(29,138,717)	-	(29,138,717)	-
Public works	12,857,791	2,202,890	403,144	5,355,427	(4,896,330)	-	(4,896,330)	-
Parks and recreation	9,426,349	258,437	180,700	2,551,680	(6,435,532)	-	(6,435,532)	-
Community development	6,748,327	822,119	607,605	2,560,435	(2,758,168)	-	(2,758,168)	-
Community service	494,888	-	-	337,852	(157,036)	-	(157,036)	-
Interest on long-term debt	609,239	-	-	-	(609,239)	-	(609,239)	-
Total governmental activities	94,136,226	7,591,776	12,553,452	12,031,619	(61,959,379)	-	(61,959,379)	-
Business-type Activities:								
Sanitary sewer	13,929,469	15,252,213	-	229,490	-	1,552,234	1,552,234	-
Solid waste	7,651,569	10,213,739	-	-	-	2,562,170	2,562,170	-
Airport	4,053,762	1,134,942	-	1,208,746	-	(1,710,074)	(1,710,074)	-
Water	10,752,410	12,246,394	-	-	-	1,493,984	1,493,984	-
Gas	11,201,256	17,879,460	-	-	-	6,678,204	6,678,204	-
Light	90,712,268	102,051,612	-	-	-	11,339,344	11,339,344	-
Telecommunication	3,099,818	3,234,427	-	-	-	134,609	134,609	-
Transit	5,752,566	793,385	1,095,785	1,232,456	-	(2,630,940)	(2,630,940)	-
Storm water	14,553,068	7,586,623	-	-	-	(6,966,445)	(6,966,445)	-
Civic center	3,268,521	1,285,296	-	188,933	-	(1,794,292)	(1,794,292)	-
Total business-type activities	164,974,707	171,678,091	1,095,785	2,859,625	-	10,658,794	10,658,794	-
Total primary government	\$ 259,110,933	\$ 179,269,867	\$ 13,649,237	\$ 14,891,244	(61,959,379)	10,658,794	(51,300,585)	-
Component Unit:								
Chehaw Park Authority	\$ 2,340,681	\$ 1,523,677	\$ 945,166	\$ -	-	-	-	128,162
Total component unit	\$ 2,340,681	\$ 1,523,677	\$ 945,166	\$ -	-	-	-	128,162
General revenues:								
Property taxes					16,303,721	-	16,303,721	-
Sales taxes					10,717,485	-	10,717,485	-
Franchise taxes					1,737,194	-	1,737,194	-
Business taxes					1,655,177	-	1,655,177	-
Insurance premium tax					5,550,079	-	5,550,079	-
Alcoholic beverage tax					1,316,709	-	1,316,709	-
Hotel/Motel tax					2,609,321	-	2,609,321	-
Other taxes					481,020	-	481,020	-
Investment income					3,513,176	822,611	4,335,787	-
Gain on sale of assets					-	126,006	126,006	1,000
Transfers					5,964,433	(5,964,433)	-	-
Total general revenues and transfers					49,848,315	(5,015,816)	44,832,499	1,000
Change in net position					(12,111,064)	5,642,978	(6,468,086)	129,162
Net position, beginning of year					141,559,739	221,216,238	362,775,977	8,624,505
Net position, end of year					\$ 129,448,675	\$ 226,859,216	\$ 356,307,891	\$ 8,753,667

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

# CITY OF ALBANY, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2019

	General Fund	Community Development Fund	Job Investment Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 6,104,624	\$ 1,497,660	\$ -	\$ 15,507,729	\$ 2,763,162	\$ 25,873,175
Investments	14,128,101	-	22,114,917	17,634,151	13,646,932	67,524,101
Receivables, net of allowance:						
Taxes	229,697	-	-	-	16,218	245,915
Accounts	1,711,664	106,374	-	-	352,676	2,170,714
Notes	-	7,918,667	500,000	-	-	8,418,667
Interest	406,772	-	59,941	-	-	466,713
Due from other funds	18,096,046	-	69,525	-	357,188	18,522,759
Due from other governments	1,675,424	591,232	-	3,460,870	391,806	6,119,332
Due from component units	18,000	-	-	-	-	18,000
Inventories	183,291	-	-	-	-	183,291
Prepaid items	8,775	-	-	-	200	8,975
Advance to other funds	6,397,371	-	1,797,219	-	-	8,194,590
Total assets	<u>\$ 48,959,765</u>	<u>\$ 10,113,933</u>	<u>\$ 24,541,602</u>	<u>\$ 36,602,750</u>	<u>\$ 17,528,182</u>	<u>\$ 137,746,232</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 2,430,000	\$ 283,553	\$ -	\$ 2,636,355	\$ 849,312	\$ 6,199,220
Accrued liabilities	2,875,147	143,278	-	-	59,941	3,078,366
Retainage payable	-	-	-	782,799	-	782,799
Due to other funds	10,722,798	257,661	-	-	1,069,336	12,049,795
Due to other governments	61,422	-	-	-	-	61,422
Unearned revenues	364,150	7,918,667	-	-	23,609	8,306,426
Advances from other funds	-	-	-	-	1,797,219	1,797,219
Total liabilities	<u>16,453,517</u>	<u>8,603,159</u>	<u>-</u>	<u>3,419,154</u>	<u>3,799,417</u>	<u>32,275,247</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2019

	General Fund	Community Development Fund	Job Investment Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>FUND BALANCES</b>						
Nonspendable:						
Inventories	\$ 183,291	\$ -	\$ -	\$ -	\$ -	\$ 183,291
Prepaid items	8,775	-	-	-	200	8,975
Restricted						
Federal programs	-	1,510,774	-	-	-	1,510,774
Public safety	15,510	-	-	-	-	15,510
Gortatowsky endowment	-	-	-	-	52,891	52,891
Capital projects	-	-	-	33,183,596	-	33,183,596
Committed						
Advance to other funds	6,397,371	-	-	-	-	6,397,371
Inner city development	-	-	-	-	132,706	132,706
Economic development	-	-	24,541,602	-	-	24,541,602
Capital projects	-	-	-	-	15,632,552	15,632,552
Assigned						
City cemetery	653,383	-	-	-	-	653,383
Keep Albany-Dougherty Beautiful	209,956	-	-	-	-	209,956
Unassigned	25,037,962	-	-	-	(2,623,905)	22,414,057
Total fund balances	<u>32,506,248</u>	<u>1,510,774</u>	<u>24,541,602</u>	<u>33,183,596</u>	<u>13,728,765</u>	<u>105,470,985</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 48,959,765</u>	<u>\$ 10,113,933</u>	<u>\$ 24,541,602</u>	<u>\$ 36,602,750</u>	<u>\$ 17,528,182</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	110,275,441
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	7,918,667
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.	15,472,750
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.	246,292
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(52,283,252)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(4,195,508)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	(53,456,700)
Net position of governmental activities	<u>\$ 129,448,675</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, 2019

	General Fund	Community Development Fund	Job Investment Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property taxes	\$ 15,923,839	\$ -	\$ -	\$ -	\$ 379,882	\$ 16,303,721
Sales taxes	10,717,485	-	-	-	-	10,717,485
Other taxes	10,740,179	-	-	-	2,609,321	13,349,500
Licenses and permits	1,250,806	-	-	-	-	1,250,806
Intergovernmental	11,176,139	1,526,540	-	10,807,010	769,708	24,279,397
Charges for services	382,530	731,221	-	-	1,652,618	2,766,369
Fines and forfeitures	931,776	-	-	-	-	931,776
Investment income (loss)	2,366,856	865	382,816	305,674	692,394	3,748,605
Other	463,044	1,047,102	-	2,081,380	65,669	3,657,195
Total revenues	<u>53,952,654</u>	<u>3,305,728</u>	<u>382,816</u>	<u>13,194,064</u>	<u>6,169,592</u>	<u>77,004,854</u>
<b>Expenditures:</b>						
Current:						
General government	12,186,679	-	-	-	-	12,186,679
Judicial	1,156,564	-	-	-	-	1,156,564
Public safety	31,882,149	-	-	-	2,369,974	34,252,123
Public works	5,422,379	-	-	-	-	5,422,379
Parks and recreation	7,398,550	-	-	-	-	7,398,550
Community development	-	3,910,039	-	-	2,303,172	6,213,211
Community service	494,888	-	-	-	-	494,888
Capital outlay	-	-	-	17,948,518	12,583,717	30,532,235
Debt service:						
Principal	-	300,000	-	-	280,000	580,000
Interest	-	34,690	-	-	564,375	599,065
Total expenditures	<u>58,541,209</u>	<u>4,244,729</u>	<u>-</u>	<u>17,948,518</u>	<u>18,101,238</u>	<u>98,835,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,588,555)</u>	<u>(939,001)</u>	<u>382,816</u>	<u>(4,754,454)</u>	<u>(11,931,646)</u>	<u>(21,830,840)</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Community Development Fund</u>	<u>Job Investment Fund</u>	<u>SPLOST Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Other financing sources (uses):</b>						
Proceeds from sale of assets	\$ 254,756	\$ 4,900	\$ -	\$ -	\$ -	\$ 259,656
Issuance of note payable	-	-	-	5,316,250	-	5,316,250
Transfers in	17,720,546	-	447,661	-	9,211,746	27,379,953
Transfers out	(13,353,149)	-	-	-	(1,350,000)	(14,703,149)
Total other financing sources, net	<u>4,622,153</u>	<u>4,900</u>	<u>447,661</u>	<u>5,316,250</u>	<u>7,861,746</u>	<u>18,252,710</u>
 Net change in fund balances	 33,598	 (934,101)	 830,477	 561,796	 (4,069,900)	 (3,578,130)
<b>Fund balances, beginning of year</b>	<u>32,472,650</u>	<u>2,444,875</u>	<u>23,711,125</u>	<u>32,621,800</u>	<u>17,798,665</u>	<u>109,049,115</u>
<b>Fund balances, end of year</b>	<u><u>\$ 32,506,248</u></u>	<u><u>\$ 1,510,774</u></u>	<u><u>\$ 24,541,602</u></u>	<u><u>\$ 33,183,596</u></u>	<u><u>\$ 13,728,765</u></u>	<u><u>\$ 105,470,985</u></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, 2019

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

Net change in fund balances - total governmental funds	\$ (3,578,130)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	17,662,809
The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.	(7,769,782)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,019,654)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(4,751,596)
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.	(8,593,225)
Internal service funds are used by management to charge the costs of insurance to individual funds.	(4,837,015)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>775,529</u>
Change in net position of governmental activities	<u>\$ (12,111,064)</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, 2019

	General Fund				Community Development Fund				Job Investment Fund		
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Revenues:</b>											
Property taxes	\$ 15,654,311	\$ 15,654,311	\$ 15,923,839	\$ 269,528	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	9,584,718	9,584,720	10,717,485	1,132,765	-	-	-	-	-	-	-
Other taxes	10,591,409	10,591,409	10,740,179	148,770	-	-	-	-	-	-	-
Licenses and permits	1,084,490	1,084,489	1,250,806	166,317	-	-	-	-	-	-	-
Intergovernmental	11,469,736	11,469,736	11,176,139	(293,597)	1,879,978	1,879,978	1,526,540	(353,438)	-	-	-
Charges for services	346,170	346,170	382,530	36,360	729,100	729,100	731,221	2,121	-	-	-
Fines and forfeitures	1,334,470	1,334,470	931,776	(402,694)	-	-	-	-	-	-	-
Investment income	-	-	2,366,856	2,366,856	-	-	865	865	-	382,816	382,816
Other	144,893	144,893	463,044	318,151	948,470	948,470	1,047,102	98,632	-	-	-
Total revenues	50,210,197	50,210,198	53,952,654	3,742,456	3,557,548	3,557,548	3,305,728	(251,820)	-	382,816	382,816
<b>Expenditures:</b>											
<b>Current:</b>											
General government:											
Legislative	693,785	696,302	649,598	46,704	-	-	-	-	-	-	-
Administrative	1,294,725	1,306,843	1,157,743	149,100	-	-	-	-	-	-	-
Human resources	1,883,361	1,887,875	1,616,557	271,318	-	-	-	-	-	-	-
Procurement and materials	560,433	569,323	533,768	35,555	-	-	-	-	-	-	-
Materials management	344,132	363,766	349,680	14,086	-	-	-	-	-	-	-
Finance	2,809,292	2,837,401	2,616,917	220,484	-	-	-	-	-	-	-
Treasury	299,325	300,100	251,564	48,536	-	-	-	-	-	-	-
Information technology	3,274,471	3,300,515	2,923,802	376,713	-	-	-	-	-	-	-
Risk management	591,045	608,768	539,690	69,078	-	-	-	-	-	-	-
Planning and development services	1,172,790	1,561,026	1,547,360	13,666	-	-	-	-	-	-	-
Total general government	12,923,359	13,431,919	12,186,679	1,245,240	-	-	-	-	-	-	-
Judicial:											
Municipal court	1,003,060	1,004,781	662,476	342,305	-	-	-	-	-	-	-
City attorney	596,809	600,737	494,088	106,649	-	-	-	-	-	-	-
Total judicial	1,599,869	1,605,518	1,156,564	448,954	-	-	-	-	-	-	-
Public safety:											
Police	19,418,183	19,159,080	17,948,474	1,210,606	-	-	-	-	-	-	-
Fire	14,133,578	14,378,970	13,529,062	849,908	-	-	-	-	-	-	-
Marshal division	381,118	394,240	370,397	23,843	-	-	-	-	-	-	-
SWAT Team	36,370	36,370	34,216	2,154	-	-	-	-	-	-	-
Total public safety	33,969,249	33,968,660	31,882,149	2,086,511	-	-	-	-	-	-	-

(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, 2019

	General Fund				Community Development Fund				Job Investment Fund		
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Expenditures (Continued):</b>											
Current:											
Public works:											
Engineering	\$ 4,311,163	\$ 5,914,311	\$ 4,490,749	\$ 1,423,562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street maintenance	930,453	987,453	931,630	55,823	-	-	-	-	-	-	-
Total public works	5,241,616	6,901,764	5,422,379	1,479,385	-	-	-	-	-	-	-
Parks and recreation:											
Administration	714,755	725,413	636,633	88,780	-	-	-	-	-	-	-
Parks	3,345,931	3,523,163	3,239,818	283,345	-	-	-	-	-	-	-
Park development and management	2,763,555	3,106,361	2,839,010	267,351	-	-	-	-	-	-	-
Turner Golf Course	724,688	743,869	683,089	60,780	-	-	-	-	-	-	-
Total parks and recreation	7,548,929	8,098,806	7,398,550	700,256	-	-	-	-	-	-	-
Community development	-	-	-	-	4,537,406	4,611,182	3,910,039	701,143	446,990	-	446,990
Community service, various subsidized agencies	502,000	502,000	494,888	7,112	-	-	-	-	-	-	-
Debt service:											
Principal	-	-	-	-	300,000	300,000	300,000	-	-	-	-
Interest	-	-	-	-	34,690	34,690	34,690	-	-	-	-
Total expenditures	61,785,022	64,508,667	58,541,209	5,967,458	4,872,096	4,645,872	4,244,729	701,143	446,990	-	446,990
Excess (deficiency) of revenues over (under) expenditures	(11,574,825)	(14,298,469)	(4,588,555)	9,709,914	(1,314,548)	(1,088,324)	(939,001)	449,323	(446,990)	382,816	829,806
<b>Other financing sources (uses):</b>											
Proceeds from sale of assets	-	-	254,756	254,756	30,000	30,000	4,900	(25,100)	-	-	-
Appropriation of fund balance	-	2,723,644	-	(2,723,644)	1,284,548	1,358,324	-	(1,358,324)	-	-	-
Transfers in	17,869,601	17,869,601	17,720,546	(149,055)	-	-	-	-	446,990	447,661	671
Transfers out	(6,294,776)	(6,294,776)	(13,353,149)	(7,058,373)	-	-	-	-	-	-	-
Total other financing sources (uses)	11,574,825	14,298,469	4,622,153	(9,676,316)	1,314,548	1,388,324	4,900	(1,383,424)	446,990	447,661	671
Net change in fund balances	\$ -	\$ -	33,598	\$ 33,598	\$ -	\$ 300,000	(934,101)	\$ (934,101)	\$ -	830,477	\$ 830,477
<b>Fund balance, beginning of year</b>			32,472,650				2,444,875			23,711,125	
<b>Fund balance, end of year</b>			<u>\$ 32,506,248</u>				<u>\$ 1,510,774</u>			<u>\$ 24,541,602</u>	

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

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Sanitary Sewer Fund	Storm Water Fund	Airport Fund	Water Fund	Light Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>ASSETS</b>									
<b>CURRENT ASSETS</b>									
Cash	\$ 3,495,800	\$ 1,388,336	\$ 1,255,764	\$ 2,796,801	\$ 24,481,790	\$ 2,122,766	\$ 3,323,958	\$ 38,865,215	\$ 5,887,759
Investments	3,228,699	-	-	1,595,565	12,718,199	2,086,602	1,448,905	21,077,970	9,351,698
Restricted investments	9,010,097	-	-	-	-	-	-	9,010,097	-
Accounts receivable, net of allowances	2,207,280	567,113	299,946	1,699,199	15,787,993	1,617,823	1,845,913	24,025,267	3,101,977
Inventories	18,127	-	-	634,449	2,422,244	105,856	325,237	3,505,913	601,159
Prepaid expenses	-	-	-	-	-	-	22,911	22,911	232,488
Due from other governments	-	3,391,314	-	-	-	-	1,482,686	4,874,000	-
Due from other funds	-	-	95,298	7,409	6,306,218	1,160,880	253,043	7,822,848	2,689,551
Total current assets	17,960,003	5,346,763	1,651,008	6,733,423	61,716,444	7,093,927	8,702,653	109,204,221	21,864,632
<b>NONCURRENT ASSETS</b>									
Capital assets:									
Non-depreciable	7,069,489	6,187,688	4,487,106	1,089,289	2,325,030	599,422	6,076,585	27,834,609	4,154,666
Depreciable, net of accumulated depreciation	43,489,215	15,576,195	32,208,889	22,889,020	21,393,388	3,521,577	20,350,882	159,429,166	5,312,654
Total noncurrent assets	50,558,704	21,763,883	36,695,995	23,978,309	23,718,418	4,120,999	26,427,467	187,263,775	9,467,320
Total assets	68,518,707	27,110,646	38,347,003	30,711,732	85,434,862	11,214,926	35,130,120	296,467,996	31,331,952
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Deferred charge on refunding	38,672	-	-	-	-	-	-	38,672	-
Net difference between projected and actual earnings on pension plan investments	238,249	147,281	60,645	129,954	134,286	77,972	285,899	1,074,286	558,803
Differences between expected and actual experience of economic/demographic (gains)/losses	84,154	52,022	21,421	45,902	47,432	27,541	100,984	379,456	197,379
Assumption changes	662,683	409,659	168,683	361,464	373,512	216,878	795,220	2,988,099	1,554,294
City contributions subsequent to the measurement date	430,889	266,368	109,681	235,030	242,865	141,018	517,067	1,942,918	1,010,630
Total deferred outflows of resources	1,454,647	875,330	360,430	772,350	798,095	463,409	1,699,170	6,423,431	3,321,106

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Sanitary Sewer Fund	Storm Water Fund	Airport Fund	Water Fund	Light Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>LIABILITIES</b>									
<b>CURRENT LIABILITIES</b>									
Payable from current assets:									
Accounts payable	\$ 764,163	\$ 982,766	\$ 288,380	\$ 53,376	\$ 6,920,823	\$ 630,533	\$ 1,173,467	\$ 10,813,508	\$ 1,233,841
Retainage payable	463,047	-	75,266	-	-	-	-	538,313	-
Accrued liabilities	103,799	-	-	11,214	258,414	-	-	373,427	531,944
Due to other funds	6,664,085	7,957,638	-	-	-	-	2,213,640	16,835,363	150,000
Claims payable	-	-	-	-	-	-	-	-	3,003,760
Current portion - notes payable	-	-	-	77,407	-	-	-	77,407	-
Current portion - capital lease payable	-	-	-	-	2,620,000	-	-	2,620,000	-
Current portion - compensated absences	327,139	211,078	65,047	218,226	261,807	121,329	287,784	1,492,410	1,036,620
Advance payments and customer deposits	-	-	-	-	-	-	80,953	80,953	-
Unearned revenue	-	-	1,255,764	-	-	-	56,185	1,311,949	-
	<u>8,322,233</u>	<u>9,151,482</u>	<u>1,684,457</u>	<u>360,223</u>	<u>10,061,044</u>	<u>751,862</u>	<u>3,812,029</u>	<u>34,143,330</u>	<u>5,956,165</u>
Payable from restricted assets:									
Revenue bonds payable, current	<u>3,355,000</u>	<u>-</u>	<u>-</u>	<u>425,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,780,000</u>	<u>-</u>
Total current liabilities	<u>11,677,233</u>	<u>9,151,482</u>	<u>1,684,457</u>	<u>785,223</u>	<u>10,061,044</u>	<u>751,862</u>	<u>3,812,029</u>	<u>37,923,330</u>	<u>5,956,165</u>
<b>NONCURRENT LIABILITIES</b>									
Revenue bonds payable, net of current portion	1,515,000	-	-	2,968,203	-	-	-	4,483,203	-
Capital lease payable, net of current portion	-	-	-	-	15,680,000	-	-	15,680,000	-
Compensated absences, net of current portion	37,827	23,453	7,970	24,247	29,090	13,481	31,975	168,043	115,180
Customer deposits	-	-	-	-	-	-	-	-	2,345,482
Notes payable	-	-	-	1,430,417	-	-	-	1,430,417	-
Other long-term liabilities	-	-	-	-	-	1,178,187	-	1,178,187	-
Advance from other funds	-	-	-	-	-	-	4,175,248	4,175,248	2,222,123
Net pension liability	<u>4,892,044</u>	<u>3,024,173</u>	<u>1,245,248</u>	<u>2,668,388</u>	<u>2,757,334</u>	<u>1,601,033</u>	<u>5,870,452</u>	<u>22,058,672</u>	<u>11,474,067</u>
Total long-term liabilities	<u>6,444,871</u>	<u>3,047,626</u>	<u>1,253,218</u>	<u>7,091,255</u>	<u>18,466,424</u>	<u>2,792,701</u>	<u>10,077,675</u>	<u>49,173,770</u>	<u>16,156,852</u>
Total liabilities	<u>18,122,104</u>	<u>12,199,108</u>	<u>2,937,675</u>	<u>7,876,478</u>	<u>28,527,468</u>	<u>3,544,563</u>	<u>13,889,704</u>	<u>87,097,100</u>	<u>22,113,017</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Differences between expected and actual experience of economic/demographic (gains)/losses	<u>179,277</u>	<u>110,825</u>	<u>45,634</u>	<u>97,787</u>	<u>101,047</u>	<u>58,672</u>	<u>215,132</u>	<u>808,374</u>	<u>420,486</u>
Total deferred inflows of resources	<u>179,277</u>	<u>110,825</u>	<u>45,634</u>	<u>97,787</u>	<u>101,047</u>	<u>58,672</u>	<u>215,132</u>	<u>808,374</u>	<u>420,486</u>

(Continued)

**CITY OF ALBANY, GEORGIA**

**STATEMENT OF NET POSITION**

**PROPRIETARY FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Sanitary Sewer Fund	Storm Water Fund	Airport Fund	Water Fund	Light Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>NET POSITION</b>									
Net investment in capital assets	\$ 45,225,657	\$ 21,763,883	\$ 36,620,729	\$ 19,077,282	\$ 5,418,418	\$ 4,120,999	\$ 26,427,467	\$ 158,654,435	\$ 9,467,320
Restricted for:									
Debt service	9,010,097	-	-	-	-	-	-	9,010,097	-
Unrestricted (deficit)	(2,563,781)	(6,087,840)	(896,605)	4,432,535	52,186,024	3,954,101	(3,703,013)	47,321,421	2,652,235
Total net position	<u>\$ 51,671,973</u>	<u>\$ 15,676,043</u>	<u>\$ 35,724,124</u>	<u>\$ 23,509,817</u>	<u>\$ 57,604,442</u>	<u>\$ 8,075,100</u>	<u>\$ 22,724,454</u>	214,985,953	<u>\$ 12,119,555</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds								11,873,263	
Net position of business type activities								<u>\$ 226,859,216</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, 2019

	Sanitary Sewer Fund	Storm Water Fund	Airport Fund	Water Fund	Light Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Operating revenues:</b>									
Charges for services	\$ 15,251,812	\$ 4,180,435	\$ 1,134,942	\$ 12,229,157	\$ 98,064,386	\$ 17,207,246	\$ 15,379,510	\$ 163,447,488	\$ 34,560,582
Other	401	3,406,188	-	17,237	3,987,226	672,214	147,337	8,230,603	444,858
Total operating revenues	15,252,213	7,586,623	1,134,942	12,246,394	102,051,612	17,879,460	15,526,847	171,678,091	35,005,440
<b>Operating expenses:</b>									
Personnel costs	4,294,533	2,501,709	1,123,563	2,137,491	2,998,667	1,404,542	4,908,812	19,369,317	9,753,073
General and administrative	-	-	-	-	-	-	-	-	3,917,723
Supplies	380,892	165,728	17,467	703,244	1,360,539	163,874	238,355	3,030,099	544,572
Operating services and charges	5,399,137	10,100,030	628,470	5,447,037	84,342,666	13,004,258	13,006,002	131,927,600	4,398,068
Maintenance and repairs	2,164,958	578,179	337,693	206,067	345,526	52,085	1,363,667	5,048,175	755,151
Depreciation and amortization	2,450,409	1,038,696	1,402,181	2,107,222	1,677,551	258,378	2,208,231	11,142,668	595,336
Claims and damages	-	-	-	-	-	-	-	-	13,373,702
Total operating expenses	14,689,929	14,384,342	3,509,374	10,601,061	90,724,949	14,883,137	21,725,067	170,517,859	33,337,625
Operating income (loss)	562,284	(6,797,719)	(2,374,432)	1,645,333	11,326,663	2,996,323	(6,198,220)	1,160,232	1,667,815
<b>Nonoperating revenues (expenses):</b>									
Investment income	465,365	-	2,635	25,508	221,170	28,627	23,237	766,542	131,532
Interest expense and fiscal charges	(207,599)	-	-	(175,278)	(258,414)	-	-	(641,291)	-
Intergovernmental - operating grants	-	-	-	-	-	-	1,095,785	1,095,785	-
Gain (loss) on sale of capital assets	37,774	-	(65,162)	22,719	48,005	13,676	(93,361)	(36,349)	(163,251)
Total nonoperating revenues (expenses)	295,540	-	(62,527)	(127,051)	10,761	42,303	1,025,661	1,184,687	(31,719)
Income (loss) before capital contributions and transfers	857,824	(6,797,719)	(2,436,959)	1,518,282	11,337,424	3,038,626	(5,172,559)	2,344,919	1,636,096
<b>Capital contributions</b>									
Intergovernmental - capital grants	-	-	1,208,746	-	-	-	1,224,683	2,433,429	-
Other capital contributions	5,642,457	54,743	-	-	203,760	-	220,990	6,121,950	1,721,902
Total capital contributions	5,642,457	54,743	1,208,746	-	203,760	-	1,445,673	8,555,379	1,721,902
<b>Transfers</b>									
Transfers in	-	1,255,025	966,250	-	-	-	2,475,153	4,696,428	700,000
Transfers out	(2,444,409)	(462,014)	-	(1,038,020)	(11,191,178)	(1,806,761)	(1,130,850)	(18,073,232)	-
Total transfers	(2,444,409)	793,011	966,250	(1,038,020)	(11,191,178)	(1,806,761)	1,344,303	(13,376,804)	700,000
Change in net position	4,055,872	(5,949,965)	(261,963)	480,262	350,006	1,231,865	(2,382,583)	(2,476,506)	4,057,998
<b>Net position, beginning of year</b>	47,616,101	21,626,008	35,986,087	23,029,555	57,254,436	6,843,235	25,107,037		8,061,557
<b>Net position, end of year</b>	<u>\$ 51,671,973</u>	<u>\$ 15,676,043</u>	<u>\$ 35,724,124</u>	<u>\$ 23,509,817</u>	<u>\$ 57,604,442</u>	<u>\$ 8,075,100</u>	<u>\$ 22,724,454</u>		<u>\$ 12,119,555</u>

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

8,119,484

Change in net position of business-type activities

\$ 5,642,978

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, 2019

	Sanitary Sewer Fund	Storm Water Fund	Airport Fund	Water Fund	Light Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Receipts from customers	\$ 15,122,620	\$ 6,543,938	\$ 1,223,083	\$ 12,130,811	\$ 103,821,836	\$ 17,656,001	\$ 15,665,038	\$ 172,163,327	\$ 13,400,765
Receipts from other funds	-	-	-	-	-	-	-	-	17,913,579
Payments to suppliers	(2,375,735)	(3,982,383)	(855,170)	(2,198,022)	(2,811,470)	(14,319,262)	(16,981,813)	(43,523,855)	(5,344,407)
Payments to employees	(3,901,988)	(1,994,287)	(1,140,051)	(6,792,730)	(95,193,654)	(1,356,269)	(4,569,327)	(114,948,306)	(8,797,374)
Claims paid	-	-	-	-	-	-	-	-	(15,949,256)
Premiums paid	-	-	-	-	-	-	-	-	(3,434,774)
Net cash provided by (used in) operating activities	<u>8,844,897</u>	<u>567,268</u>	<u>(772,138)</u>	<u>3,140,059</u>	<u>5,816,712</u>	<u>1,980,470</u>	<u>(5,886,102)</u>	<u>13,691,166</u>	<u>(2,211,467)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>									
Advance from other funds	-	-	-	-	-	-	4,175,248	4,175,248	2,222,123
Transfers in	-	1,255,025	966,250	-	-	-	2,475,153	4,696,428	700,000
Transfers out	(2,444,409)	(462,014)	-	(1,038,020)	(11,191,178)	(1,806,761)	(1,130,850)	(18,073,232)	-
Payments for environmental remediation obligation	-	-	-	-	-	(20,337)	-	(20,337)	-
Operating grants received	-	-	-	-	-	-	1,095,785	1,095,785	-
Net cash provided by (used in) non-capital financing activities	<u>(2,444,409)</u>	<u>793,011</u>	<u>966,250</u>	<u>(1,038,020)</u>	<u>(11,191,178)</u>	<u>(1,827,098)</u>	<u>6,615,336</u>	<u>(8,126,108)</u>	<u>2,922,123</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Acquisition and construction of capital assets	(2,799,241)	(323,592)	(1,364,573)	(645,339)	(2,722,794)	(397,827)	(897,230)	(9,150,596)	(780,425)
Proceeds from note payable	-	-	-	-	-	-	-	-	-
Principal paid on bonds	(3,165,000)	-	-	(1,495,000)	-	-	-	(4,660,000)	-
Principal paid on notes payable	-	-	-	(77,407)	-	-	-	(77,407)	-
Proceeds from capital leases	-	-	-	-	18,300,000	-	-	-	-
Interest paid	(281,209)	-	-	(191,857)	-	-	-	(473,066)	-
Advance from other funds	-	-	-	-	-	-	-	-	-
Capital grants received	-	-	1,208,746	-	-	-	1,224,683	2,433,429	-
Proceeds from sale of assets	-	-	2,440	24,821	35,115	15,110	60,680	138,166	8,628
Net cash provided by (used in) capital and related financing activities	<u>(6,245,450)</u>	<u>(323,592)</u>	<u>(153,387)</u>	<u>(2,384,782)</u>	<u>15,612,321</u>	<u>(382,717)</u>	<u>388,133</u>	<u>(11,789,474)</u>	<u>(771,797)</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF FIDUCIARY NET POSITION PENSION FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Sanitary Sewer Fund	Storm Water Fund	Airport Fund	Water Fund	Light Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Proceeds from sales of investments	\$ -	\$ -	\$ -	\$ 1,231,525	\$ 9,816,446	\$ 1,610,528	\$ (1,138,204)	\$ 11,520,295	\$ (49,294)
Purchases of investments	(399,418)	-	-	(1,253,414)	(13,939,102)	(1,639,153)	1,118,328	(16,112,759)	-
Interest on investments	465,365	-	2,635	25,508	221,170	28,627	23,237	766,542	131,532
Net cash provided by (used in) investing activities	65,947	-	2,635	3,619	(3,901,486)	2	3,361	(3,825,922)	82,238
<b>Increase (decrease) in cash and cash equivalents</b>	220,985	1,036,687	43,360	(279,124)	6,336,369	(229,343)	1,120,728	(10,050,338)	21,097
<b>Cash and cash equivalents:</b>									
Beginning of year	3,274,815	351,649	1,212,404	3,075,925	18,145,421	2,352,109	2,203,230	30,615,553	5,866,662
End of year	<u>\$ 3,495,800</u>	<u>\$ 1,388,336</u>	<u>\$ 1,255,764</u>	<u>\$ 2,796,801</u>	<u>\$ 24,481,790</u>	<u>\$ 2,122,766</u>	<u>\$ 3,323,958</u>	<u>\$ 20,565,215</u>	<u>\$ 5,887,759</u>
<b>Classified as:</b>									
Cash	\$ 3,495,800	\$ 1,388,336	\$ 1,255,764	\$ 2,796,801	\$ 24,481,790	\$ 2,122,766	\$ 3,323,958	\$ 38,865,215	\$ 5,887,759
	<u>\$ 3,495,800</u>	<u>\$ 1,388,336</u>	<u>\$ 1,255,764</u>	<u>\$ 2,796,801</u>	<u>\$ 24,481,790</u>	<u>\$ 2,122,766</u>	<u>\$ 3,323,958</u>	<u>\$ 38,865,215</u>	<u>\$ 5,887,759</u>
<b>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>									
Contributions of capital assets from outside sources	\$ 229,490	-	\$ -	\$ -	\$ -	\$ -	\$ 24,283	\$ 253,773	\$ -
Contributions of capital assets from governmental activities	5,412,967	54,743	-	-	203,760	-	196,707	5,868,177	221,806
Contributions of capital assets (to) from other proprietary funds	(79,293)	-	-	(79,293)	(200,312)	-	21,779	(337,119)	-
	<u>\$ 5,563,164</u>	<u>\$ 54,743</u>	<u>\$ -</u>	<u>\$ (79,293)</u>	<u>\$ 3,448</u>	<u>\$ -</u>	<u>\$ 242,769</u>	<u>\$ 5,784,831</u>	<u>\$ 221,806</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## STATEMENT OF FIDUCIARY NET POSITION PENSION FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Sanitary Sewer Fund	Storm Water Fund	Airport Fund	Water Fund	Light Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>									
<b>TO NET CASH PROVIDED BY (USED IN)</b>									
<b>OPERATING ACTIVITIES:</b>									
Operating income (loss)	\$ 562,284	\$ (6,797,719)	\$ (2,374,432)	\$ 1,645,333	\$ 11,326,663	\$ 2,996,323	\$ (6,198,220)	\$ 1,160,232	\$ 1,667,815
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation	2,450,409	1,038,696	1,402,181	2,107,222	1,677,551	258,378	2,208,231	11,142,668	595,336
Increase in internal investment pool	-	-	-	-	-	-	-	-	(438,164)
(Increase) decrease in account receivable	(129,593)	12,921	(106,862)	(115,583)	1,770,224	(223,459)	(168,797)	1,038,851	(1,632,003)
(Increase) decrease in inventories	8,232	-	-	(73,447)	(196,793)	76,621	11,237	(174,150)	(21,563)
Increase in inventories	-	-	-	-	-	-	-	-	(232,488)
Increase in other assets	-	-	-	-	-	-	(22,911)	(22,911)	-
(Increase) decrease in due from other governments	-	(1,055,606)	-	-	-	48,733	1,767,509	760,636	-
(Increase) decrease in due from other funds	-	-	-	-	-	(1,160,880)	265,415	(895,465)	(223,112)
Decrease in net difference between expected and actual experience of economic/demographic (gains)/loss	233,974	133,371	65,354	139,310	133,326	79,986	281,284	1,066,605	552,235
(Increase) decrease in contributions subsequent to the measurement date	(14,438)	(42,719)	13,712	27,180	(3,791)	5,511	(15,784)	(30,329)	(23,487)
(Increase) decrease in assumption changes	16,440	(44,945)	32,539	66,132	16,355	22,073	22,243	130,837	55,479
Increase (decrease) in accounts payable and other liabilities	285,584	601,795	148,275	50,106	733,302	(55,290)	644,081	2,407,853	(51,980)
Increase in retainage payable	463,047	-	-	-	-	-	-	463,047	-
Decrease in claims payable	-	-	-	-	-	-	-	-	(1,707,171)
Increase (decrease) in due to other funds	4,812,389	6,259,759	151,643	(413,041)	(9,681,432)	(8,229)	(4,893,188)	(3,772,099)	(1,007,537)
Increase in unearned revenues	-	-	43,360	-	-	-	41,573	84,933	-
Increase (decrease) in net pension liability	173,281	490,022	(152,904)	(302,685)	48,414	(59,273)	190,459	387,314	288,850
Increase (decrease) in net difference between projected and actual earnings on pension plan investments	(16,712)	(28,307)	4,996	9,532	(7,107)	(24)	(19,234)	(56,856)	(33,677)
Net cash provided by (used in) operating activities	<u>\$ 8,844,897</u>	<u>\$ 567,268</u>	<u>\$ (772,138)</u>	<u>\$ 3,140,059</u>	<u>\$ 5,816,712</u>	<u>\$ 1,980,470</u>	<u>\$ (5,886,102)</u>	<u>\$ 13,691,166</u>	<u>\$ (2,211,467)</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, 2019**

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<b>ASSETS</b>	
Cash	\$ 2,382,349
Investments at fair value:	
Equity securities	62,307,100
Government securities	12,423,602
Corporate bonds	18,171,125
Other	18,765,336
Total investments	<u>111,667,163</u>
Interest receivable	<u>304,505</u>
Total assets	<u>114,354,017</u>
<b>LIABILITIES</b>	
Accounts payable	<u>3,955</u>
Total liabilities	<u>3,955</u>
<b>NET POSITION</b>	
Restricted for pension benefits	<u><u>\$ 114,350,062</u></u>

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

# CITY OF ALBANY, GEORGIA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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**ADDITIONS:**

Employer contributions	\$ 7,661,988
Investment earnings	
Interest and dividends	3,566,273
Net increase in fair value of investments	<u>4,885,521</u>
	8,451,794
Less investment expense	<u>750,372</u>
Net investment income	<u>7,701,422</u>
Total additions	<u>15,363,410</u>

**DEDUCTIONS:**

Benefit payments	14,651,101
Administrative expense	<u>102,412</u>
Total deductions	<u>14,753,513</u>
Change in net position	609,897

<b>NET POSITION, BEGINNING OF YEAR</b>	<u>113,740,165</u>
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<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 114,350,062</u></u>
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The notes to the financial statements are an integral part of this statement.

# **CITY OF ALBANY, GEORGIA**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019**

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

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

#### **A. The Financial Reporting Entity**

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

The City is authorized to own, use and operate a system of water works, electric lights and gas works. The City, through an act of the Georgia Legislature, provides for a Board of Water, Gas and Light Commissioners (the “Board”) answerable to and directly supervised by the City Manager. The Mayor of the City of Albany has a voice in all proceedings before the Board, and has a vote in all matters and proceedings, but no veto. The Board consists of four members appointed by the City of Albany Commission from the citizens of the City of Albany. Citizen members of the Board are appointed for a term of two years.

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

## NOTES TO FINANCIAL STATEMENTS

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

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

##### Blended Component Units

**Albany Dougherty Inner City Authority (“ADICA”)** – ADICA’s public purpose is to finance and provide capital projects and services to promote improvements and redevelopment of the City of Albany and Dougherty County. The City Commission appoints the seven members of ADICA’s Board of Directors. Budget requests for ADICA are submitted to the Commission for approval, with the City Commission possessing authority to revise ADICA’s budget. ADICA’s primary purpose is to provide financing for the City’s construction projects. The City, however, does not participate in the selection or monitoring of management. Separate financial statements are not prepared for ADICA.

**Albany Downtown Development Authority (“DDA”)** – The DDA is charged with the responsibility of revitalizing and redeveloping the Central Business District by financing projects to promote trade, commerce, industry and employment opportunities. The City Commission appoints the seven members of the DDA’s Board of Directors and the members of the Board must be taxpayers residing in Dougherty County and at least four directors must be owners or operators of downtown businesses. A member of the County Board of Commissioners can also be appointed to serve on the DDA. The City has operational responsibility for the DDA. The DDA is bound on the north by Roosevelt Avenue, the western bank of the Flint River, on the south by Whitney Avenue, and on the west by Madison Street. Separate financial statements are not prepared for the DDA.

##### Discretely Presented Component Unit

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



## NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period with the exception of grant revenues, for which the revenue recognition period is extended to 180 days. 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

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

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

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

The City reports the following major proprietary funds:

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

The **Storm Water Fund** accounts for the provision of storm water services to the residents of the City.

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

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

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

The **Gas Fund** accounts for the gas operations provided to the residents of the City.

The City also reports the following fund types:

**Special Revenue Funds** account for specific revenues that are legally restricted to expenditures for particular purposes.

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

**Internal Service Funds** account for general liability, group health, and workers' compensation claims.

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.

## NOTES TO FINANCIAL STATEMENTS

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

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

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 June. Individual amendments were not material in relation to the original appropriations.
4. The budget is legally adopted by the Mayor and City Commission in June of each year.

## NOTES TO FINANCIAL STATEMENTS

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

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

5. The City's budget amendment/budget transfer process is regulated by the Official Code of Georgia Annotated ("O.C.G.A.") 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.
6. 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.
7. Annual appropriated budgets are legally adopted on a basis consistent with GAAP for the General Fund and Special Revenue Funds. Sufficient budgetary control is achieved through restrictions included in the various grant agreements. Annual operating budgets are prepared for each Enterprise and Internal Service Fund for planning, control, cost allocation, and evaluation purposes.
8. Revenues and expenditures of the Capital Projects Funds are budgeted on a project basis and are, therefore, excluded from presentation in the financial statements.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Project Funds. Encumbrances outstanding at year-end are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are re-appropriated in the following year, except for encumbrances in the Capital Project Funds, which are continuing. Encumbrances do not represent GAAP expenditures. At June 30, 2019, there were no encumbrances outstanding.

## NOTES TO FINANCIAL STATEMENTS

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

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

The Tax Allocation District Fund reported deficit fund balance of \$2,623,905 at June 30, 2019. 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.

#### F. Investments

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

#### **G. Inventory**

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

#### **H. Receivables/Payables**

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

#### **I. Prepaid Items**

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

#### **J. Capital Assets**

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

## NOTES TO FINANCIAL STATEMENTS

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

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, 2019.

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

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

#### K. Compensated Absences

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



## NOTES TO FINANCIAL STATEMENTS

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

#### L. Long-Term Obligations

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

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

#### M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has a deferred charge on refunding reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

## NOTES TO FINANCIAL STATEMENTS

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

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

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from notes receivables, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. An *effective hedge* is reported in the government-wide statement of net position. The effective hedge results from the change in market value of a swap agreement related to the certificates of participation. The amount is deferred and will mature on June 1, 2028, at the same time as the certificates of participation.

The City also has items related to the City's Retirement Plan which are reported in the government-wide and proprietary fund statements of net position. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Finally, any contribution made by the City to the pension plan before year-end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

## NOTES TO FINANCIAL STATEMENTS

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

#### N. Fund Equity

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

#### N. Fund Equity (Continued)

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

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

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

#### O. Management Estimates

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

#### P. Tax Abatement Agreements

During the year ended June 30, 2017, the City implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires the City to disclose information for any tax abatement agreements either entered into by the City, or agreements entered into by other governments that reduce the City's tax revenues. As of June 30, 2019, the City did not have any such agreements, either entered into by the City or by other governments that exceeded the quantitative threshold for disclosure.

## NOTES TO FINANCIAL STATEMENTS

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

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

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

Notes payable	\$ (6,741,250)
Bonds payable	(1,550,000)
Unamortized refunding charge	43,050
Certificates of participation	(10,000,000)
Compensated absences	(4,077,783)
Other post-employment benefit obligation	(29,943,480)
Accrued interest payable	(13,789)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (52,283,252)</u></u>

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

City contributions subsequent to the measurement date	\$ 4,708,440
Differences between expected and actual experience of economic/ demographic (gains)/losses	919,573
Difference in expected and actual earnings on investments - Pension	2,603,416
Assumption changes	7,241,321
Difference in expected and actual earnings on investments - OPEB	-
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 15,472,750</u></u>

## NOTES TO FINANCIAL STATEMENTS

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

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

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

Capital outlay	\$ 22,696,650
Depreciation expense	<u>(5,033,841)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 17,662,809</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 differences are as follows:

Transfers of capital assets to business-type activities	\$ (7,412,371)
Disposals of capital assets	<u>(357,411)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (7,769,782)</u>

## NOTES TO FINANCIAL STATEMENTS

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

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

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

Issuance of note payable	\$ (5,316,250)
Principal repayment - general obligation bonds	280,000
Principal repayment - notes payable	300,000
Amortization of loss on defeasance of bonds	<u>(15,346)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ (4,751,596)</u></u>

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

Compensated absences	\$ (546,692)
Accrued interest	5,172
Other post-employment benefit obligation	(4,120,399)
Change in net pension and related deferred inflows and outflows of resources	<u>(3,931,306)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ (8,593,225)</u></u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. DEPOSITS AND INVESTMENTS

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

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

**Custodial credit risk (deposits)** – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. At June 30, 2019, the City did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

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

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

Investments classified in Level 1 of the fair value hierarchy are valued using process quoted in active markets for those investments. Investments classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.



## NOTES TO FINANCIAL STATEMENTS

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

The City has the following recurring fair value measurements at June 30, 2019:

	Level 1	Level 2	Level 3	Fair Value
U.S. treasuries and agencies	\$ 46,793,437	\$ 45,966,500	\$ -	\$ 92,759,937
Mortgage backed securities	-	6,310,233	-	6,310,233
	<u>\$ 46,793,437</u>	<u>\$ 52,276,733</u>	<u>\$ -</u>	<u>99,070,170</u>
Investments recorded at cost:				
Guaranteed Investment Contract				7,893,696
				<u>\$ 106,963,866</u>

The City's pension plan has the following recurring fair value measurements at June 30, 2019:

	Level 1	Level 2	Level 3	Fair Value
U.S. treasuries and agencies	\$ 4,745,261	\$ -	\$ -	\$ 4,745,261
Mortgage backed securities	-	7,678,341	-	7,678,341
Equity securities	62,307,100	-	-	62,307,100
Mutual funds	18,765,336	-	-	18,765,336
Corporate bonds	-	18,171,125	-	18,171,125
	<u>\$ 85,817,697</u>	<u>\$ 25,849,466</u>	<u>\$ -</u>	<u>\$ 111,667,163</u>

## NOTES TO FINANCIAL STATEMENTS

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

At June 30, 2019, the City had the following investments (in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)								Rating
		Less than 1	1 - 5	6 - 10	11 - 15	16 - 20	21 - 25	26 - 30	31 - 35	
Entity wide:										
Government securities	\$ 68,246	\$ 18,358	\$ 37,490	\$ 6,382	\$ 1,340	\$ 581	\$ 3,426	\$ 669	\$ -	AA+
Government securities	30,824	16,181	14,369	-	-	274	-	-	-	AAA
Guaranteed Inv. Contract	7,894	-	-	7,894	-	-	-	-	-	AA-
	<u>106,964</u>	<u>34,539</u>	<u>51,859</u>	<u>14,276</u>	<u>1,340</u>	<u>855</u>	<u>3,426</u>	<u>669</u>	<u>-</u>	
Pension Trust Fund:										
Government securities	4,746	-	-	2,996	-	-	-	1,750	-	AAA
Government securities	7,678	-	-	1,398	572	60	376	5,213	59	AA+
Common stock	60,244	-	-	-	-	-	-	-	-	N/A
Preferred stock	2,063	-	-	-	-	-	-	-	-	N/A
Mutual funds	18,765	-	-	-	-	-	-	-	-	N/A
Corporate bonds	365	-	-	-	-	-	365	-	-	A
Corporate bonds	989	-	989	-	-	-	-	-	-	A-
Corporate bonds	395	395	-	-	-	-	-	-	-	BBB+
Corporate bonds	1,536	1,073	463	-	-	-	-	-	-	BBB
Corporate bonds	323	-	323	-	-	-	-	-	-	BBB-
Corporate bonds	1,051	421	630	-	-	-	-	-	-	BB+
Corporate bonds	478	-	478	-	-	-	-	-	-	BB
Corporate bonds	3,191	-	2,901	290	-	-	-	-	-	BB-
Corporate bonds	1,336	-	706	630	-	-	-	-	-	B+
Corporate bonds	421	-	421	-	-	-	-	-	-	B
Corporate bonds	931	-	931	-	-	-	-	-	-	B-
Corporate bonds	7,155	710	4,319	1,677	235	-	-	214	-	NR
	<u>111,667</u>	<u>2,599</u>	<u>12,161</u>	<u>6,991</u>	<u>807</u>	<u>60</u>	<u>741</u>	<u>7,177</u>	<u>59</u>	
	<u>\$ 218,631</u>	<u>\$ 37,138</u>	<u>\$ 64,020</u>	<u>\$ 21,267</u>	<u>\$ 2,147</u>	<u>\$ 915</u>	<u>\$ 4,167</u>	<u>\$ 7,846</u>	<u>\$ 59</u>	

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4. RECEIVABLES

#### A. Property Taxes

Property taxes were levied on August 6, 2018 on the January 1, 2018 assessed value of all real and personal property including mobile homes and motor vehicles located within the City. Tax bills were mailed on October 18, 2018, and payable before December 20, 2018. The lien date for unpaid taxes was March 19, 2019. After that date, an interest penalty of 18% applies. Property tax revenues are recognized when levied to the extent they result in current receivables.

The City is permitted by the Municipal Finance Law of the state to levy taxes up to \$20.00 per \$1,000 of assessed valuation for general government services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. A tax rate of 9.804 mills was levied during fiscal year 2019 for the City (mill equals \$1 per thousand dollars of assessed value).

Gross property taxes receivable at June 30, 2019 are \$1,431,285. An allowance of \$1,185,370 has been established for taxes in dispute and taxes that will not be collected for the year ended June 30, 2019, resulting in a net receivable for property taxes of \$229,697.

#### 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% SPLOST which was passed by referendums in 2004 (SPLOST V), 2010 (SPLOST VI), and 2016 (SPLOST VII). The proceeds from these sales tax programs are used to finance various capital projects. The City administers its own programs. SPLOST taxes due from other governments at June 30, 2019, are \$1,915,392.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. RECEIVABLES (CONTINUED)

#### C. Accounts Receivable

Accounts receivable of the primary government consisted of the following at June 30, 2019:

	<b>General Fund</b>	<b>Community Development Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Sanitary Sewer Fund</b>	<b>Airport Fund</b>	<b>Stormwater Fund</b>
Gross receivables	\$ 1,745,030	\$ 106,374	\$ 387,675	\$ 2,402,714	\$ 299,946	\$ 669,147
Less allowance for doubtful accounts	(33,366)	-	(34,999)	(195,434)	-	(102,034)
Net receivables	<u>\$ 1,711,664</u>	<u>\$ 106,374</u>	<u>\$ 352,676</u>	<u>\$ 2,207,280</u>	<u>\$ 299,946</u>	<u>\$ 567,113</u>

	<b>Water Fund</b>	<b>Light Fund</b>	<b>Gas Fund</b>	<b>Nonmajor Business-type Funds</b>	<b>Internal Service Funds</b>
Gross receivables	\$ 1,891,116	\$ 16,864,838	\$ 1,719,856	\$ 2,153,498	\$ 3,617,839
Less allowance for doubtful accounts	(191,917)	(1,076,845)	(102,033)	(307,585)	(515,862)
Net receivables	<u>\$ 1,699,199</u>	<u>\$ 15,787,993</u>	<u>\$ 1,617,823</u>	<u>\$ 1,845,913</u>	<u>\$ 3,101,977</u>

#### D. Notes Receivable

Notes receivable of the primary government consist of community development loans to individuals and businesses, where financing has been provided by various federal and state grants. Notes receivable in the Job Investment Fund consist of loans to businesses as incentives to revitalize the downtown area of the City.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS

The City's capital asset activity for the fiscal year ended June 30, 2019, was as follows:

#### A. Primary Government

	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 15,738,532	\$ -	\$ (94,325)	\$ -	\$ 15,644,207
Construction in progress	2,048,355	10,001,123	(450)	(2,891,544)	9,157,484
Total assets not depreciated	<u>17,786,887</u>	<u>10,001,123</u>	<u>(94,775)</u>	<u>(2,891,544)</u>	<u>24,801,691</u>
Capital assets being depreciated:					
Buildings and improvements	76,104,447	2,685,289	(26,128)	(756,164)	78,007,444
Equipment and vehicles	26,258,080	4,358,608	(1,421,292)	1,841,966	31,037,362
Infrastructure	86,388,996	5,651,630	-	(5,601,555)	86,439,071
Total assets depreciated	<u>188,751,523</u>	<u>12,695,527</u>	<u>(1,447,420)</u>	<u>(4,515,753)</u>	<u>195,483,877</u>
Less accumulated depreciation:					
Buildings and improvements	(30,024,742)	(2,179,969)	1,404	199,337	(32,003,970)
Equipment and vehicles	(19,100,531)	(1,797,548)	1,183,380	(5,074)	(19,719,773)
Infrastructure	(57,030,723)	(1,056,324)	-	(199,337)	(58,286,384)
Total accumulated depreciation	<u>(106,155,996)</u>	<u>(5,033,841)</u>	<u>1,184,784</u>	<u>(5,074)</u>	<u>(110,010,127)</u>
Total assets depreciated, net	<u>82,595,527</u>	<u>7,661,686</u>	<u>(262,636)</u>	<u>(4,520,827)</u>	<u>85,473,750</u>
Governmental activities capital assets, net	<u>\$ 100,382,414</u>	<u>\$ 17,662,809</u>	<u>\$ (357,411)</u>	<u>\$ (7,412,371)</u>	<u>\$ 110,275,441</u>

Corrections have been made to the beginning balances of equipment and vehicles and the related accumulated depreciation.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### A. Primary Government (Continued)

	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Land	\$ 14,294,298	\$ -	\$ -	\$ -	\$ 14,294,298
Construction in progress	8,987,746	5,763,166	(4,909)	2,948,974	17,694,977
Total assets not depreciated	<u>23,282,044</u>	<u>5,763,166</u>	<u>(4,909)</u>	<u>2,948,974</u>	<u>31,989,275</u>
Capital assets being depreciated:					
Buildings and improvements	145,283,579	456,006	(460,545)	3,869,038	149,148,078
Equipment and vehicles	62,546,406	2,666,227	(1,700,596)	450,389	63,962,426
Infrastructure	160,053,004	1,547,546	(626,157)	138,896	161,113,289
Total assets depreciated	<u>367,882,989</u>	<u>4,669,779</u>	<u>(2,787,298)</u>	<u>4,458,323</u>	<u>374,223,793</u>
Less accumulated depreciation:					
Buildings and improvements	(75,142,229)	(3,261,246)	230,448	-	(78,173,027)
Equipment and vehicles	(45,268,119)	(3,066,688)	1,571,663	5,074	(46,758,070)
Infrastructure	(79,776,020)	(5,363,265)	588,409	-	(84,550,876)
Total accumulated depreciation	<u>(200,186,368)</u>	<u>(11,691,199)</u>	<u>2,390,520</u>	<u>5,074</u>	<u>(209,481,973)</u>
Total assets depreciated, net	<u>167,696,621</u>	<u>(7,021,420)</u>	<u>(396,778)</u>	<u>4,463,397</u>	<u>164,741,820</u>
Business-type activities capital assets, net	<u>\$ 190,978,665</u>	<u>\$ (1,258,254)</u>	<u>\$ (401,687)</u>	<u>\$ 7,412,371</u>	<u>\$ 196,731,095</u>

Reclassifications have been made to the beginning balances of capital assets being depreciated and the related accumulated depreciation.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### A. Primary Government (Continued)

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

Governmental activities:	
General government	\$ 641,372
Public safety	1,833,130
Public works	1,338,569
Culture and recreation	777,668
Community development	443,102
Total depreciation expense - governmental activities	<u>\$ 5,033,841</u>
Business-type activities:	
Sanitary sewer	\$ 2,403,604
Solid waste	399,341
Airport	1,402,181
Water	2,107,222
Gas	258,378
Light	1,677,551
Telecommunication	435,747
Transit	895,190
Storm water	1,038,696
Civic Center	477,953
Utility Internal Service Fund	538,709
Fleet Management Fund	56,627
Total depreciation expense - business-type activities	<u>\$ 11,691,199</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, 2019, was as follows:

	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Capital assets not being depreciated:					
Land	\$ 1,283,104	\$ -	\$ -	\$ -	\$ 1,283,104
Construction in progress	1,514,580	22,846	-	(241,066)	1,296,360
Total assets not depreciated	<u>2,797,684</u>	<u>22,846</u>	<u>-</u>	<u>(241,066)</u>	<u>2,579,464</u>
Capital assets being depreciated:					
Buildings and improvements	10,483,796	25,848	-	241,066	10,750,710
Equipment and vehicles	1,166,838	22,434	(38,659)	-	1,150,613
Total assets depreciated	<u>11,650,634</u>	<u>48,282</u>	<u>(38,659)</u>	<u>241,066</u>	<u>11,901,323</u>
Less accumulated depreciation:					
Buildings and improvements	(4,787,864)	(263,867)	-	-	(5,051,731)
Equipment and vehicles	(836,470)	(79,561)	38,659	-	(877,372)
Total accumulated depreciation	<u>(5,624,334)</u>	<u>(343,428)</u>	<u>38,659</u>	<u>-</u>	<u>(5,929,103)</u>
Total assets depreciated, net	<u>6,026,300</u>	<u>(295,146)</u>	<u>-</u>	<u>241,066</u>	<u>5,972,220</u>
Chehaw Park Authority assets, net	<u>\$ 8,823,984</u>	<u>\$ (272,300)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,551,684</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, 2019:

	Balance, June 30, 2018	Additions	Reductions	Balance, June 30, 2019	Due Within One Year
<b>Governmental activities</b>					
General obligation bonds	\$ 1,830,000	\$ -	\$ 280,000	\$ 1,550,000	\$ 290,000
Notes payable	1,725,000	-	300,000	1,425,000	300,000
Notes from direct borrowings	-	5,316,250	-	5,316,250	-
Certificates of participation	10,000,000	-	-	10,000,000	-
OPEB liability	29,754,318	1,810,573	1,621,411	29,943,480	-
Compensated absences	3,531,091	3,623,955	3,077,263	4,077,783	3,670,005
Net pension liability	52,168,548	13,280,068	11,902,970	53,545,646	-
Governmental activity long-term liabilities	<u>\$ 99,008,957</u>	<u>\$ 24,030,846</u>	<u>\$ 17,181,644</u>	<u>\$ 105,858,159</u>	<u>\$ 4,260,005</u>
<b>Business-type activities</b>					
Revenue bonds	\$ 12,920,000	\$ -	\$ 4,660,000	\$ 8,260,000	\$ 3,780,000
Add deferred amounts					
Unamortized premium	12,680	-	9,477	3,203	-
Total bonds payable	12,932,680	-	4,669,477	8,263,203	3,780,000
Financed purchases from direct borrowings	-	18,300,000	-	18,300,000	2,620,000
Notes from direct borrowings	1,584,156	-	76,332	1,507,824	77,407
Manufactured gas plant liability	1,198,524	-	20,337	1,178,187	-
Compensated absences	2,377,403	2,574,511	2,139,661	2,812,253	2,529,030
Net pension liability	32,769,190	7,969,972	7,295,369	33,443,793	-
Business-type activity long-term liabilities	<u>\$ 50,861,953</u>	<u>\$ 28,844,483</u>	<u>\$ 14,201,176</u>	<u>\$ 65,505,260</u>	<u>\$ 9,006,437</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

The government-wide statement of net position includes \$3,780,000 of bonds payable due within one year for business-type activities in liabilities payable from restricted assets. The remaining amount of \$4,483,203 is displayed as bonds payable, due in more than one year, on that same statement.

For governmental activities, compensated absences are liquidated by the General, Computer Aided Dispatch, Community Development and Grant Funds. For governmental activities, the net pension liability and other post-employment benefit obligations are liquidated by the General Fund.

For business-type activities, compensated absences are liquidated by the Water, Gas, Storm Water, Telecommunications, Light, Solid Waste, Transit, Sanitary Sewer, and Airport Funds.

#### 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 ADICA. General obligation bonds have been issued for general government activities and are reported in the governmental column of the government-wide statements. The outstanding issue is as follows:

	<u>Interest Rates</u>	<u>Balance June 30, 2019</u>
2012 ADICA Refunding Revenue Issue	2.00% - 3.125%	<u>\$ 1,550,000</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### General Obligation Bonds (Continued)

During the fiscal year ended June 30, 2012, the City issued bonds through the ADICA in the amount of \$3,440,000. The bonds bear interest ranging from 2.00% to 3.125% with final maturity in 2024.

The proceeds from the sale of the bonds were 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, and iii) paying all or a portion of the costs of issuance of the bonds.

The bonds are limited obligations of ADICA, payable solely from payments to be made by the City 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, 2019, the unamortized balance was \$43,050.

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

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

#### A. Primary Government (Continued)

##### General Obligation Bonds (Continued)

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

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

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 290,000	\$ 42,993	\$ 332,993
2021	300,000	36,468	336,468
2022	310,000	28,593	338,593
2023	320,000	19,913	339,913
2024	330,000	10,313	340,313
	<u>\$ 1,550,000</u>	<u>\$ 138,280</u>	<u>\$ 1,688,280</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### Notes from Direct Borrowings

The U.S. Department of Housing and Urban Development has issued to the City, two Section 108 Guaranteed Loans for the purpose of providing subordinated debt financing for the development of the Albany Hilton Garden Inn Hotel and Conference Center. The City's Section 108 Guaranteed Loans outstanding at June 30, 2019, are as follows:

	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2019</u>
HUD Section 108 Loan, B-02-MC-13-0001	\$ 5,500,000	2.00% – 5.00%	\$ 1,375,000
HUD Section 108 Loan, B-99-MC-13-0001	500,000	2.00% – 5.00%	50,000
Total			<u>\$ 1,425,000</u>

Notes payable debt service requirements to maturity, including interest of \$206,404, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 300,000	\$ 75,212	\$ 375,212
2021	300,000	57,657	357,657
2022	275,000	40,769	315,769
2023	275,000	24,557	299,557
2024	275,000	8,209	283,209
	<u>\$ 1,425,000</u>	<u>\$ 206,404</u>	<u>\$ 1,631,404</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### Notes from Direct Borrowings (Continued)

In March 2018, the City entered into an agreement with the Georgia Environmental Finance Authority to finance a project to rehabilitate the west side and east side interceptor sewers and related appurtenances in an amount not to exceed \$15,000,000. Interest at a rate of .65% is payable on the first of each month until the project is complete, April 1, 2021, or the date that the loan is fully disbursed, whichever occurs first. At that time monthly principal and interest payments will commence. Future debt service requirements have not yet been determined as construction is still in progress and all loan amounts have not yet been drawn. The outstanding principle balance at June 30, 2019 is \$5,316,249.

##### 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### Certificates of Participation (Continued)

Annual debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ -	\$ 475,000	\$ 475,000
2021	-	475,000	475,000
2022	-	475,000	475,000
2023	-	475,000	475,000
2024	-	475,000	475,000
2025 – 2028	10,000,000	1,425,000	11,425,000
	<u>\$ 10,000,000</u>	<u>\$ 3,800,000</u>	<u>\$ 13,800,000</u>

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.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### Certificates of Participation (Continued)

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.

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, 2019, the floating rate being paid by the City is 1.90%, and the market value of this agreement is \$2,586,071, an increase of \$598,382 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, 2019 based on the derivative contract.

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



## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### 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, 2019, are as follows:

	<u>Interest Rates</u>	<u>Balance June 30, 2019</u>
2007 Sewerage System Revenue Bonds	4.00% – 5.00%	\$ 2,640,000
2011 Sewerage System Revenue Bonds	3.39%	2,230,000
2005 Water Revenue Bonds	3.97%	<u>3,393,203</u>
		<u>\$ 8,263,203</u>

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

On April 17, 2007, the City issued \$27,745,000 in Sewerage System Revenue Bonds, Series 2007 with interest rates between 4.00% and 5.00%. The City issued the bonds for the purpose of 1) current refunding of \$30,040,000 outstanding Sewerage System Revenue Bonds, Series 1997 maturing on and after July 1, 2008, 2) purchasing a surety bond for the reserve account and a bond insurance policy, and 3) paying the cost of issuing the Series 2007 bonds. The City used the net proceeds from the issuance of the revenue bonds to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 1997 issue were called.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### Revenue Bonds (Continued)

##### \$27,745,000 Sewerage System Revenue Bonds, Series 2007 (Continued)

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, 2019, the unamortized balance was \$4,615.

Interest expense related to the Series 2007 Bonds for the year ended June 30, 2019, was \$132,000. All interest incurred was expensed.

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

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

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, 2019, the unamortized balance was \$34,057.

Interest expense related to the Series 2011 Bonds for the year ended June 30, 2019, was \$75,597. All interest incurred was expensed.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### Revenue Bonds (Continued)

##### \$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.

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

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 3,780,000	\$ 255,625	\$ 4,035,625
2021	1,185,000	147,707	1,332,707
2022	1,230,000	104,163	1,334,163
2023	485,000	72,353	557,353
2024	505,000	52,702	557,702
2025 – 2026	1,075,000	43,174	1,118,174
	<u>\$ 8,260,000</u>	<u>\$ 675,724</u>	<u>\$ 8,935,724</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### Financed Purchase from Direct Borrowing

In December 2018, the City entered into a financed purchase agreement in the amount of \$18,300,000 to finance the purchase of advanced meter infrastructure equipment for the utility system. Annual principal and interest payments begin December 1, 2019 and are required until maturity on December 1, 2024 at an interest rate of \$2.93%. Interest only payments are due June 1<sup>st</sup> of each year.

Future minimum payments on the financed purchase agreement as of June 30, 2019 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 2,620,000	\$ 746,540	\$ 3,366,540
2021	2,955,000	416,133	3,371,133
2022	3,043,000	328,263	3,371,263
2023	3,133,000	237,784	3,370,784
2024	3,227,000	144,610	3,371,610
2025 – 2029	3,322,000	48,667	3,370,667
	<u>\$ 18,300,000</u>	<u>\$ 1,921,997</u>	<u>\$ 20,221,997</u>

##### Note from Direct Borrowing

In October 2016, the City entered into an agreement with the Georgia Environmental Finance Authority to finance improvements to Water Tank #12 in the amount of \$1,709,026. The loan has an interest rate of 1.40%. Payments of \$8,168 are made each month beginning November 1, 2016 through October 1, 2036. As of June 30, 2019, the outstanding principal balance is \$1,507,824. This GEFA loan was for the Water Tank #12, not the sewer lines (which were described in the other direct borrowings in the amount of \$15 million.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### Note from Direct Borrowing (Continued)

Future minimum payments on the GEFA loan as of June 30, 2019 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 77,407	\$ 20,615	\$ 98,022
2021	78,498	19,524	98,022
2022	79,645	18,377	98,022
2023	80,725	17,297	98,022
2024	81,863	16,159	98,022
2025 – 2029	426,944	63,166	490,110
2030 – 2034	457,883	32,227	490,110
2035 – 2037	224,859	3,859	228,718
	<u>\$ 1,507,824</u>	<u>\$ 191,224</u>	<u>\$ 1,699,048</u>

##### 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Primary Government (Continued)

##### Environmental Corrective Action Liability (Continued)

The Georgia Environmental Protection Division approved the compliance status report and recommended corrective action to bring the Plant into compliance. During the fiscal year ended June 30, 2013, the City completed the requirements of the corrective action plan and is currently awaiting review by the Georgia Environmental Protection Division. The total cost of this corrective action is anticipated to range from \$2,000,000 to \$10,000,000. Management believes a cost estimate of \$4,000,000 to be probable. This estimate is subject to revision due to price increases or reductions, changes in technology, or changes in applicable laws or regulations. During the year June 30, 2019, the City incurred costs of \$20,337, with total incurred costs to date of \$1,321,814. The liability has been reduced by these costs, resulting in a liability of \$1,178,187 recorded on the statement of net position, reported as an other long-term liability. The City has recovered approximately \$874,000 from insurance to offset the liability. Additional recovery amounts, if any, are unknown.

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

##### Conduit Debt

From time to time, ADICA has issued revenue bonds to provide financial assistance to both private and public sector entities for the acquisition and construction of commercial facilities deemed to be of public interest. ADICA is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Four series of bond issuances have occurred from November 1, 2003 to June 30, 2019, totaling \$73,471,505. The total amount of bonds outstanding at June 30, 2019 is \$63,453,015.

## NOTES TO FINANCIAL STATEMENTS

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

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

##### Line of Credit

Chehaw Park Authority has entered into a line of credit agreement with a financial institution for financing operations during certain periods of the year. The summary of the line of credit activity for the fiscal year ended June 30, 2019, is as follows:

	<b>Balance, June 30, 2018</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance, June 30, 2019</b>	<b>Due Within One Year</b>
Line of credit	<u>\$ 64,003</u>	<u>\$ 7,295</u>	<u>\$ 5,058</u>	<u>\$ 66,240</u>	<u>\$ 66,240</u>

## NOTES TO FINANCIAL STATEMENTS

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

The composition of interfund balances as of June 30, 2019, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Community Development Fund	\$ 257,661
General Fund	Nonmajor Governmental Funds	1,017,732
General Fund	Sanitary Sewer Fund	6,616,266
General Fund	Storm Water Fund	7,909,819
General Fund	Nonmajor Enterprise Funds	2,144,568
General Fund	Internal Service Fund - Fleet Management	150,000
Job Investment Fund	General Fund	17,921
Job Investment Fund	Nonmajor Governmental Funds	51,604
Airport Fund	General Fund	95,298
Water Fund	General Fund	7,409
Light Fund	General Fund	6,306,218
Gas Fund	General Fund	1,160,880
Nonmajor Enterprise Funds	General Fund	253,043
Nonmajor Governmental Funds	General Fund	357,188
Internal Service Fund - Public Emp Dep	General Fund	613,392
Internal Service Fund - R3M	General Fund	1,903,154
Internal Service Fund - Utility	General Fund	8,295
Internal Service Fund - Utility	Sanitary Sewer Fund	47,819
Internal Service Fund - Utility	Storm Water Fund	47,819
Internal Service Fund - Utility	Nonmajor Enterprise Funds	69,072
		\$ 29,035,158



## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Job Investment Fund	Nonmajor Governmental Funds	\$ 1,797,219
General Fund	Nonmajor Enterprise Fund	4,175,248
General Fund	Internal Service Fund - Fleet Management	2,222,123
		<u>\$ 8,194,590</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. Advances to/from other funds represent amounts not expected to be repaid within one year from the date of the financial statements.

Due to/from primary government and component units:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Chehaw Park Authority	<u>\$ 18,000</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

The composition of interfund transfers during the fiscal year ended June 30, 2019, were as follows:

Transfers Out	Transfers In							Total
	General Fund	Job Investment Fund	Nonmajor Governmental Funds	Airport Fund	Storm Water Fund	Nonmajor Enterprise Fund	Internal Service Fund	
General Fund	\$ -	\$ -	\$ 9,211,746	\$ 966,250	\$ -	\$ 2,475,153	\$ 700,000	\$ 13,353,149
Nonmajor Governmental Funds	1,350,000	-	-	-	-	-	-	1,350,000
Sanitary Sewer Fund	1,189,384	-	-	-	1,255,025	-	-	2,444,409
Water Fund	1,038,020	-	-	-	-	-	-	1,038,020
Light Fund	10,743,517	447,661	-	-	-	-	-	11,191,178
Gas Fund	1,806,761	-	-	-	-	-	-	1,806,761
Storm Water	462,014	-	-	-	-	-	-	462,014
Nonmajor Enterprise Funds	1,130,850	-	-	-	-	-	-	1,130,850
Total	<u>\$ 17,720,546</u>	<u>\$ 447,661</u>	<u>\$ 9,211,746</u>	<u>\$ 966,250</u>	<u>\$ 1,255,025</u>	<u>\$ 2,475,153</u>	<u>\$ 700,000</u>	<u>\$ 32,776,381</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 8. RETIREMENT PLANS

#### A. Defined Contribution Plan

The City maintains a defined contribution pension plan, the City of Albany Retirement Savings Plan (the "Savings Plan"), which was established by the City on January 1, 1998 to provide reasonable retirement security for its "Senior Management Employees". The Savings Plan is administered by Nationwide Retirement Solutions. At June 30, 2019, there were 11 active participants. The City is required to contribute 12% of each Savings Plan participant's compensation. Savings Plan participants may contribute 5% of their compensation. Savings Plan provisions and contribution requirements are established by and may be amended by the City of Albany Board of Commissioners. For the year ended June 30, 2019, the City contributed \$142,669 and employees contributed \$-.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. RETIREMENT PLANS (CONTINUED)

#### B. Defined Benefit Plan

##### Plan Description

The City 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 Plan.

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

##### Plan Description (Continued)

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

##### Participant Data

Membership in the Plan as of July 1, 2018, the most recent actuarial valuation date, is as follows:

Inactive plan members (or beneficiary) currently receiving benefits	956
Inactive plan members entitled to but not yet receiving benefits	233
Active plan members	955
Total membership	<u>2,144</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

##### Summary of Significant Accounting Policies

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

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

##### Contribution Requirements

The City's funding policy is to contribute a percentage of covered employee payroll as developed in the actuarial valuation for the Plan. Section 47-20 of the Georgia Code sets forth the funding standards for state and local government pension plans. Effective July 1, 2007, employees were required to make contributions to the Plan as follows: General Employees – 4% of annual covered payroll; Safety Employees – 7% of annual covered payroll. The participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at actuarially determined rates. The actuarial determined contribution amount is the sum of the annual normal cost (determined under the entry age normal method) and the amortization of the unfunded actuarial accrued liability as a level percentage of future payroll. Administrative costs of the Plan are financed through investment income. Actual contributions to the Plan were \$7,661,988.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

##### Net Pension Liability

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

The total pension liability was determined by an actuarial valuation as of July 1, 2018.

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

Inflation	2.75%
Salary increases, including inflation	3.25%, including inflation
Investment rate of return	7.75%, 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.

**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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

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%	6.9%
Core Equity Managers	14.5%	6.6%
Value Equity Managers	14.5%	6.5%
International Equity Managers	11.5%	6.7%
Convertible Security Managers	22.5%	4.3%
Investment Grade Fixed Income	22.5%	1.3%
	100.0%	

**Discount rate** – The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates. Projected future benefit payments for all current plan members were projected through the year 2118. 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

***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 7.75%, 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<b>1% Decrease 6.75%</b>	<b>Current Discount Rate 7.75%</b>	<b>1% Increase 8.75%</b>
City's Net Pension Liability	\$ 107,669,430	\$ 86,989,437	\$ 69,351,324

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2018, and the current sharing pattern of costs between employer and employee.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

***Changes in the net pension liability of the City*** – The changes in the components of the net pension liability of the City for the year ended June 30, 2019, were as follows:

	<b>Total Pension Liability (TPL)</b>	<b>Fiduciary Net Position (FNP)</b>	<b>Net Pension Liability (NPL)</b>
Balances at July 1, 2018	\$ 198,119,376	\$ 113,181,641	\$ 84,937,735
Changes for the year:			
Service cost	2,410,521	-	2,410,521
Interest	15,269,752	-	15,269,752
Difference between expected and actual experience	(4,119,996)	-	(4,119,996)
Assumption changes	3,544,902		3,544,902
Contributions - employer	-	5,230,307	(5,230,307)
Contributions - employee	-	2,265,807	(2,265,807)
Net investment income	-	7,582,229	(7,582,229)
Benefit payments, including refunds of employee contributions	(14,494,953)	(14,494,953)	-
Administrative expense	-	(24,868)	24,868
Other changes	-	-	-
Net changes	<u>2,610,226</u>	<u>558,522</u>	<u>2,051,704</u>
Balances at June 30, 2019	<u><u>\$ 200,729,602</u></u>	<u><u>\$ 113,740,163</u></u>	<u><u>\$ 86,989,439</u></u>

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. RETIREMENT PLANS (CONTINUED)

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

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

For the year ended June 30, 2019, the City recognized pension expense of \$9,779,417. At June 30, 2019, 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	\$ 4,236,505	\$ -
Changes of assumptions	11,783,714	-
Difference in projected and actual experience	1,496,408	3,187,870
City contributions subsequent to the measurement date	7,661,988	-
Total	<u>\$ 25,178,615</u>	<u>\$ 3,187,870</u>

City contributions subsequent to the measurement date of \$7,661,988 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 6,966,593
2021	4,929,118
2022	2,249,422
2023	183,624

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9. CONTINGENT LIABILITIES

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

The City is contingently liable for a \$1,300,000 loan from a local financial institution to the Payroll Development Authority. The outstanding balance of this loan at June 30, 2019, is \$832,653.

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, 2019, 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 \$66,273,690 in 2019.

At June 30, 2019, the outstanding debt of MEAG was approximately \$6.3 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$408 million at June 30, 2019.

## 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. This fund provides coverage for up to a maximum claim of \$400,000. The City purchases commercial coinsurance for claims in excess of coverage provided by the fund and for all other risks of loss up to \$3,000,000. Unpaid claims are expected to be paid within one year, therefore, considered current obligations of the City.

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

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Unpaid claims, beginning of year	\$ 1,030,931	\$ 2,004,132
Incurred claims and changes in estimates	505,004	655,776
Claim payments	(895,675)	(1,628,977)
Unpaid claims, end of year	<u>\$ 640,260</u>	<u>\$ 1,030,931</u>

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. RISK MANAGEMENT (CONTINUED)

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

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Unpaid claims, beginning of year	\$ 420,000	\$ 650,000
Incurred claims and changes in estimates	11,497,879	8,868,098
Claim payments	<u>(11,337,879)</u>	<u>(9,098,098)</u>
Unpaid claims, end of year	<u>\$ 580,000</u>	<u>\$ 420,000</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, 2019</u>	<u>June 30, 2018</u>
Unpaid claims, beginning of year	\$ 3,260,000	\$ 2,744,000
Incurred claims and changes in estimates	1,370,819	3,873,834
Claim payments	<u>(2,847,319)</u>	<u>(3,357,834)</u>
Unpaid claims, end of year	<u>\$ 1,783,500</u>	<u>\$ 3,260,000</u>

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

### NOTE 11. RELATED ORGANIZATION

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

## NOTES TO FINANCIAL STATEMENTS

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### **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, 2019, \$2,609,321 of hotel/motel tax was collected, and \$725,000, or 28% of the amount collected, was remitted to the Convention & Visitors Bureau. The remaining balance was used by the City for the promotion of tourism.

### **NOTE 13. JOINT VENTURE**

Under Georgia law, the City, in conjunction with other cities and counties in the eight-county west central Georgia area, is a member of the Southwest Georgia Regional Commission ("RC") and is required to pay annual dues thereto. During its year ended June 30, 2019, the City paid \$44,303 in such dues. Membership in an RC is required by the O.C.G.A. § 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. O.C.G.A. § 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 maintains a single employer defined benefit other post-employment benefit plan. The City of Albany Other Post-Employment Benefits Plan (the "OPEB Plan"), which includes retirees from the City, is administered by a board of trustees, which includes the Mayor, the Chief Financial Officer, two members appointed by the Board of Commissioners, three members elected from active and retired employees and two members selected from the metropolitan Albany area. In accordance with a City ordinance, the City's personnel policy provides that all employees who retire under early, normal or disability retirement provisions are eligible for confirmed health care benefits provided by the City. A separate, audited GAAP-basis post-employment benefit plan report is not available for the OPEB Plan.

## NOTES TO FINANCIAL STATEMENTS

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

#### Plan Description (Continued)

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

#### Contributions

The City has elected to fund the OPEB Plan on a “pay as you go” basis. Plan members, once retired, pay a portion of the group insurance rate which is set by the City. The City contributes the current year benefit costs of the Plan which are not paid by the retiree. For the year ended June 30, 2019, the City contributed \$799,107 for the pay as you go benefits for the OPEB Plan.

#### Total OPEB Liability of the City

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

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



## NOTES TO FINANCIAL STATEMENTS

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

#### Actuarial Assumptions

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

Discount Rate	3.87%
Healthcare Cost Trend Rate Pre-Medicare	7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023
Medicare Part B Stipend	0.00%
Inflation Rate	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Participation rate	Pre-65, non-disabled - 50%; Pre-65, disabled - 100%; Life insurance - 100%; Spouse Health Plan - 35%

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

#### Discount Rate

The discount rate used to measure the TOL was 3.87%. This rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index published the last week of June 2018.

## NOTES TO FINANCIAL STATEMENTS

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

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

The changes in the TOL of the City for the year ended June 30, 2019, were as follows:

	<b>Total OPEB Liability</b>
Balance as of July 1, 2018	<u>\$ 29,754,318</u>
Changes for the year:	
Service cost	761,134
Interest on TOL and cash flow	1,049,439
Benefit changes	-
Difference between expected and actual experience	-
Changes of assumptions	(1,065,138)
Benefits paid	(556,273)
Other changes	-
Net changes	<u>189,162</u>
Balance as of June 30, 2019	<u><u>\$ 29,943,480</u></u>

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

## NOTES TO FINANCIAL STATEMENTS

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

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

The following presents the TOL of the City, as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current discount rate:

	<b>1% Decrease 2.87%</b>	<b>Current Discount Rate 3.87%</b>	<b>1% Increase 4.87%</b>
Total OPEB Liability	\$ 33,595,043	\$ 29,943,480	\$ 26,865,355

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

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

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 27,992,973	\$ 29,943,480	\$ 32,262,660

## NOTES TO FINANCIAL STATEMENTS

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

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$1,287,194. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	<u>\$ -</u>	<u>\$ 2,236,498</u>

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

Year Ending June 30,	
2020	\$ (523,379)
2021	(523,379)
2022	(523,379)
2023	(499,318)
2024	(167,043)

## **REQUIRED SUPPLEMENTARY INFORMATION**

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# CITY OF ALBANY, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2019

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

	2018	2017	2016	2015	2014
<b>Total Pension Liability - Beginning of Year</b>	\$ 198,119,376	\$ 178,257,598	\$ 175,702,339	\$ 169,373,602	\$ 165,074,003
Service Cost	2,410,523	2,231,964	2,072,533	2,012,167	2,215,323
Interest on the Total Pension Liability	15,269,752	14,405,323	14,514,514	14,016,505	13,724,868
Changes of Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience	(4,119,996)	1,582,590	-	3,271,492	-
Changes of Assumptions	3,544,902	15,407,604	-	-	-
Benefit Payments	(13,626,011)	(13,215,951)	(13,312,191)	(12,142,282)	(11,114,494)
Refunds of Contributions	(868,942)	(549,752)	(719,597)	(829,146)	(526,098)
Net Change in Total Pension Liability	2,610,228	19,861,778	2,555,259	6,328,736	4,299,599
<b>(a) Total Pension Liability - End of Year</b>	200,729,604	198,119,376	178,257,598	175,702,338	169,373,602
<b>Plan Fiduciary Net Position - Beginning of Year</b>	113,181,642	106,372,752	114,837,182	118,681,219	104,280,508
Contributions - Employer	5,230,307	5,437,013	4,481,018	4,413,592	4,714,664
Contributions - Employee	2,265,807	2,342,732	2,295,605	2,270,553	2,332,768
Net Investment Income	7,582,229	12,823,332	(1,140,321)	2,471,086	19,395,817
Benefit Payments, including refund of contributions	(14,494,953)	(13,765,703)	(14,031,788)	(12,971,428)	(11,990,923)
Administrative Expenses	(24,867)	(28,460)	(68,944)	(28,956)	(51,615)
Other	-	(24)	-	39,161	-
Net Change in Plan Fiduciary Net Position	558,523	6,808,890	(8,464,430)	(3,805,992)	14,400,711
<b>(b) Plan Fiduciary Net Position - End of Year</b>	113,740,165	113,181,642	106,372,752	114,875,227	118,681,219
<b>City's Net Pension Liability (a) - (b)</b>	86,989,439	84,937,734	71,884,846	60,827,111	50,692,383
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	56.66%	57.13%	59.67%	65.38%	70.07%
<b>Covered Payroll</b>	\$ 44,683,441	\$ 43,894,718	\$ 44,071,111	\$ 44,376,707	\$ 43,658,122
<b>Net Pension Liability as a Percentage of the Covered Payroll</b>	194.68%	193.50%	163.11%	137.07%	116.11%

# CITY OF ALBANY, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2019

### DEFINED BENEFIT PENSION PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined employer contribution	\$ 7,661,988	\$ 5,230,307	\$ 5,437,013	\$ 4,481,018	\$ 4,413,592	\$ 4,339,414	\$ 4,520,878	\$ 4,372,222	\$ 4,338,767	\$ 4,231,004
Actual employer contributions	7,661,988	5,230,307	5,437,013	4,481,018	4,413,592	4,339,414	4,520,878	4,372,222	4,338,767	4,231,004
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 43,549,532	\$ 44,683,441	\$ 43,894,718	\$ 44,071,111	\$ 44,376,707	\$ 43,658,122	\$ 43,647,641	\$ 43,482,571	\$ 45,257,183	\$ 43,737,217
Actual contributions as a percentage of covered payroll	17.59%	11.71%	12.39%	10.17%	9.95%	9.94%	10.36%	10.06%	9.59%	9.67%

### NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS

#### Methods and Assumptions for Actuarially Determined Contribution:

Valuation Date	July 1, 2018
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	25-Year Closed Period
Actuarial Assumptions:	
Investment rate of return	8.00% net of expense
Projected salary increases	3.50%
Expected annual inflation	3.00%

#### Changes of Assumptions

The discount rate was lowered from 8.00% to 7.75%

The assumed salary increase assumption was lowered from 3.50% to 3.25%

Inflation rate changed from 3.00% to 2.75%

**CITY OF ALBANY, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2019**

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

<b>Fiscal Year</b>	<b>Annual Money-Weighted Rate of Return</b>
2018	6.68%
2017	12.29%
2016	-1.03%
2015	2.13%
2014	18.60%



# CITY OF ALBANY, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2019

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

	2019	2018
<b>Total OPEB Liability - Beginning of Year</b>	<u>\$ 29,754,318</u>	<u>\$ 31,787,147</u>
Service Cost	761,134	834,413
Interest	1,049,439	930,513
Benefit Changes	-	-
Difference between Expected and Actual Experience	-	-
Changes of Assumptions	(1,065,138)	(2,038,499)
Benefit Payments	<u>(556,273)</u>	<u>(1,759,256)</u>
<b>Net Change in Total OPEB Liability</b>	<u>189,162</u>	<u>(2,032,829)</u>
<b>Total OPEB Liability - End of Year</b>	<u><u>\$ 29,943,480</u></u>	<u><u>\$ 29,754,318</u></u>
<b>Covered Payroll</b>	43,894,718	43,894,718
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	68.22%	67.79%

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

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**Special Revenue Funds**

- |                                       |   |
|---------------------------------------|---|
| <b>Hotel/Motel Tax Fund</b>           | - To account for the collection and disbursement of hotel-motel tax revenue.  |
| <b>Grant Fund</b>                     | - To account for grant revenues and expenditures related to various short lived projects.   |
| <b>Downtown Development Authority</b> | - To account for the activities of the Albany Downtown Development Authority related to downtown projects in the central business district.                                 |
| <b>Computer Aided Dispatch Fund</b>   | - To account for activities related to enhanced "911" services. Financing is provided from program charges. Revenues are expended for capital assets and system operations. |
| <b>ADICA</b>                          | - To account for the activities of the Albany-Dougherty Inner City Authority related to inner city development.   |
| <b>Gortatowsky Fund</b>               | - To account for resources provided by the estate of Henry Gortatowsky which are to be used for permanent improvements of a municipal park and/or recreation center.        |
| <b>Tax Allocation District Fund</b>   | - To account for revenues and expenditures related to the City tax allocation district.   |

**Capital Projects Funds**

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

# CITY OF ALBANY, GEORGIA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2019

	Special Revenue Funds							Capital Projects Fund	Total
	Hotel/ Motel Tax	Grant Fund	Downtown Development Authority	Computer Aided Dispatch	ADICA	Gortatowsky Fund	Tax Allocation District Fund	Public Improvement Fund	
ASSETS									
Cash	\$ -	\$ 2,000	\$ 51,206	\$ 1,018,776	\$ 78,788	\$ -	\$ -	\$ 1,612,392	\$ 2,763,162
Investments	-	-	-	-	-	52,891	-	13,594,041	13,646,932
Receivables, net of allowance:									
Taxes	-	-	-	-	-	-	16,218	-	16,218
Accounts	210,861	-	-	139,103	2,712	-	-	-	352,676
Due from other funds	323,460	-	-	33,728	-	-	-	-	357,188
Due from other governments	-	391,806	-	-	-	-	-	-	391,806
Prepaid expenses	-	-	200	-	-	-	-	-	200
Total assets	\$ 534,321	\$ 393,806	\$ 51,406	\$ 1,191,607	\$ 81,500	\$ 52,891	\$ 16,218	\$ 15,206,433	\$ 17,528,182
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ -	\$ 106,933	\$ -	\$ 918	\$ -	\$ -	\$ -	\$ 741,461	\$ 849,312
Accrued liabilities	-	-	-	-	-	-	59,941	-	59,941
Advances from other funds	-	-	-	-	-	-	1,797,219	-	1,797,219
Due to other funds	-	286,373	-	-	-	-	782,963	-	1,069,336
Deferred revenues	-	500	-	-	-	-	-	23,109	23,609
Total liabilities	-	393,806	-	918	-	-	2,640,123	764,570	3,799,417
FUND BALANCES (DEFICIT)									
Nonspendable - prepaid expenses	-	-	200	-	-	-	-	-	200
Restricted:									
Promotion of tourism	534,321	-	-	-	-	-	-	-	534,321
Gortatowsky endowment	-	-	-	-	-	52,891	-	-	52,891
Committed:									
Inner city projects	-	-	51,206	-	81,500	-	-	-	132,706
Capital projects	-	-	-	1,190,689	-	-	-	14,441,863	15,632,552
Unassigned	-	-	-	-	-	-	(2,623,905)	-	(2,623,905)
Total fund balances (deficit)	534,321	-	51,406	1,190,689	81,500	52,891	(2,623,905)	14,441,863	13,728,765
Total liabilities and fund balances	\$ 534,321	\$ 393,806	\$ 51,406	\$ 1,191,607	\$ 81,500	\$ 52,891	\$ 16,218	\$ 15,206,433	\$ 17,528,182

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue Funds						Capital Projects Fund	
	Hotel/ Motel Tax	Grant Fund	Downtown Development Authority	Computer Aided Dispatch	ADICA	Gortatowsky Fund	Tax Allocation District Fund	Public Improvement Fund
								Total
<b>Revenues:</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 379,882	\$ -
Other taxes	2,609,321	-	-	-	-	-	-	-
Intergovernmental	-	520,525	-	249,183	-	-	-	-
Charges for services	-	-	-	1,617,893	34,725	-	-	-
Other revenues:								
Investment income	-	-	-	-	20	724	-	691,650
Other income	-	-	28,725	8,956	26,488	-	-	1,500
Total revenues	2,609,321	520,525	28,725	1,876,032	61,233	724	379,882	693,150
<b>Expenditures:</b>								
Current:								
Public safety	-	110,783	-	2,259,191	-	-	-	-
Community development	725,000	481,860	62,103	-	335,224	-	698,985	-
Capital outlay	-	-	-	-	-	-	-	12,583,717
Debt service:								
Principal	-	-	-	-	-	-	280,000	-
Interest	-	-	-	-	-	-	49,375	515,000
Total expenditures	725,000	592,643	62,103	2,259,191	335,224	-	1,028,360	13,098,717
Excess (deficiency) of revenues over (under) expenditures	1,884,321	(72,118)	(33,378)	(383,159)	(273,991)	724	(648,478)	(12,405,567)
<b>Other financing sources (uses):</b>								
Transfers in	-	72,118	50,000	1,026,776	300,000	-	-	7,762,852
Transfers out	(1,350,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,350,000)	72,118	50,000	1,026,776	300,000	-	-	7,762,852
Net change in fund balances	534,321	-	16,622	643,617	26,009	724	(648,478)	(4,642,715)
<b>Fund balances (deficit), beginning of year</b>	-	-	34,784	547,072	55,491	52,167	(1,975,427)	19,084,578
<b>Fund balances (deficit), end of year</b>	\$ 534,321	\$ -	\$ 51,406	\$ 1,190,689	\$ 81,500	\$ 52,891	\$ (2,623,905)	\$ 14,441,863
								\$ 13,728,765

# CITY OF ALBANY, GEORGIA

## BUDGETARY COMPLIANCE

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### Special Revenue Funds

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

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (GAAP) BASIS AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue Funds					
	Hotel/Motel Tax Fund			Computer Aided Dispatch Fund		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Revenues:</b>						
Taxes	\$ 2,075,000	\$ 2,609,321	\$ 534,321	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	122,449	249,183	126,734
Charges for services	-	-	-	1,565,123	1,617,893	52,770
Investment income	-	-	-	-	-	-
Other income	-	-	-	6,096	8,956	2,860
Total revenues	<u>2,075,000</u>	<u>2,609,321</u>	<u>534,321</u>	<u>1,693,668</u>	<u>1,876,032</u>	<u>182,364</u>
<b>Expenditures:</b>						
Current:						
Public safety	-	-	-	2,735,726	2,259,191	476,535
Community development	725,000	725,000	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>725,000</u>	<u>725,000</u>	<u>-</u>	<u>2,735,726</u>	<u>2,259,191</u>	<u>476,535</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,350,000</u>	<u>1,884,321</u>	<u>534,321</u>	<u>(1,042,058)</u>	<u>(383,159)</u>	<u>658,899</u>
<b>Other financing sources (uses):</b>						
Appropriation of fund balance	-	-	-	15,282	-	15,282
Transfers in	-	-	-	1,026,776	1,026,776	-
Transfers out	(1,350,000)	(1,350,000)	-	-	-	-
Total other financing sources (uses)	<u>(1,350,000)</u>	<u>(1,350,000)</u>	<u>-</u>	<u>1,042,058</u>	<u>1,026,776</u>	<u>15,282</u>
Net change in fund balances	<u>\$ -</u>	<u>534,321</u>	<u>\$ 534,321</u>	<u>\$ -</u>	<u>643,617</u>	<u>\$ 643,617</u>
<b>Fund balances (deficit), beginning of year</b>		<u>-</u>			<u>547,072</u>	
<b>Fund balances (deficit), end of year</b>		<u>\$ 534,321</u>			<u>\$ 1,190,689</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, 2019

	Special Revenue Funds					
	Grant Fund			Downtown Development Authority		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	253,031	520,525	267,494	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other income	-	-	-	30,142	28,725	(1,417)
Total revenues	<u>253,031</u>	<u>520,525</u>	<u>267,494</u>	<u>30,142</u>	<u>28,725</u>	<u>(1,417)</u>
<b>Expenditures:</b>						
Current:						
Public safety	41,874	110,783	(68,909)	-	-	-
Parks and recreation	50,000	-	50,000	-	-	-
Community development	254,547	481,860	(227,313)	80,142	62,103	18,039
Debt service	-	-	-	-	-	-
Total expenditures	<u>346,421</u>	<u>592,643</u>	<u>(246,222)</u>	<u>80,142</u>	<u>62,103</u>	<u>18,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(93,390)</u>	<u>(72,118)</u>	<u>21,272</u>	<u>(50,000)</u>	<u>(33,378)</u>	<u>16,622</u>
<b>Other financing sources (uses):</b>						
Appropriation of fund balance	-	-	-	-	-	-
Transfers in	93,390	72,118	(21,272)	50,000	50,000	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>93,390</u>	<u>72,118</u>	<u>(21,272)</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>16,622</u>	<u>\$ 16,622</u>
<b>Fund balances (deficit), beginning of year</b>		<u>-</u>			<u>34,784</u>	
<b>Fund balances (deficit), end of year</b>		<u>\$ -</u>			<u>\$ 51,406</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, 2019

	Special Revenue Funds					
	Tax Allocation District Fund			Gortatowsky Fund		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
<b>Revenues:</b>						
Taxes	\$ 329,293	\$ 379,882	\$ 50,589	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	724	724
Other income	-	-	-	-	-	-
Total revenues	<u>329,293</u>	<u>379,882</u>	<u>50,589</u>	<u>-</u>	<u>724</u>	<u>724</u>
<b>Expenditures:</b>						
Current:						
Public safety	-	-	-	-	-	-
Community development	-	698,985	(698,985)	50,000	-	50,000
Debt service	<u>329,293</u>	<u>329,375</u>	<u>(82)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>329,293</u>	<u>1,028,360</u>	<u>(699,067)</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(648,478)</u>	<u>(648,478)</u>	<u>(50,000)</u>	<u>724</u>	<u>50,724</u>
<b>Other financing sources (uses):</b>						
Appropriation of fund balance	-	-	-	50,000	-	(50,000)
Transfers in	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balances	<u>\$ -</u>	<u>(648,478)</u>	<u>\$ (648,478)</u>	<u>\$ -</u>	<u>724</u>	<u>\$ 724</u>
<b>Fund balances (deficit), beginning of year</b>		<u>(1,975,427)</u>			<u>52,167</u>	
<b>Fund balances (deficit), end of year</b>		<u>\$ (2,623,905)</u>			<u>\$ 52,891</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, 2019

	Special Revenue Fund		
	ADICA		
	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	36,142	34,725	(1,417)
Investment income	-	20	20
Other income	-	26,488	26,488
Total revenues	<u>36,142</u>	<u>61,233</u>	<u>25,091</u>
<b>Expenditures:</b>			
Current:			
Public safety	-	-	-
Community development	363,051	335,224	27,827
Debt service	-	-	-
Total expenditures	<u>363,051</u>	<u>335,224</u>	<u>27,827</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(326,909)</u>	<u>(273,991)</u>	<u>52,918</u>
<b>Other financing sources (uses):</b>			
Appropriation of fund balance	26,909	-	(26,909)
Transfers in	300,000	300,000	-
Transfers out	-	-	-
Total other financing sources	<u>326,909</u>	<u>300,000</u>	<u>(26,909)</u>
Net change in fund balances	<u>\$ -</u>	<u>26,009</u>	<u>\$ 26,009</u>
<b>Fund balances (deficit), beginning of year</b>		<u>55,491</u>	
<b>Fund balances (deficit), end of year</b>		<u>\$ 81,500</u>	

# CITY OF ALBANY, GEORGIA

## NONMAJOR ENTERPRISE FUNDS

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**Transit Fund**

- To account for the provision of transit service to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

**Civic Center Fund**

- To account for the operations of the James H. Gray Civic Center and the City's municipal auditorium. All activities necessary to provide such services are accounted for in this fund.

**Solid Waste Fund**

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

**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, 2019

	Transit Fund	Civic Center Fund	Solid Waste Fund	Telecommunications Fund	Totals
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ -	\$ 587,636	\$ 1,969,325	\$ 766,997	\$ 3,323,958
Investments	-	-	1,448,905	-	1,448,905
Accounts receivable, net of allowances	-	231,682	1,531,511	82,720	1,845,913
Inventories	-	-	-	325,237	325,237
Prepaid expenses	-	22,911	-	-	22,911
Due from other funds	-	253,043	-	-	253,043
Due from other governments	1,482,686	-	-	-	1,482,686
Total current assets	<u>1,482,686</u>	<u>1,095,272</u>	<u>4,949,741</u>	<u>1,174,954</u>	<u>8,702,653</u>
<b>NONCURRENT ASSETS</b>					
Capital assets					
Non-depreciable	340,453	2,856,014	907,035	1,973,083	6,076,585
Depreciable, net of accumulated depreciation	6,722,683	6,416,622	1,863,780	5,347,797	20,350,882
Total noncurrent assets	<u>7,063,136</u>	<u>9,272,636</u>	<u>2,770,815</u>	<u>7,320,880</u>	<u>26,427,467</u>
Total assets	<u>8,545,822</u>	<u>10,367,908</u>	<u>7,720,556</u>	<u>8,495,834</u>	<u>35,130,120</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Net difference between projected and actual earnings on pension plan investments	142,949	-	121,291	21,659	285,899
Differences between expected and actual experience of economic/demographic (gains)/losses	50,492	-	42,842	7,650	100,984
Assumption Changes	397,610	-	337,366	60,244	795,220
City contributions subsequent to the measurement date	258,533	-	219,362	39,172	517,067
Total deferred outflows of resources	<u>849,584</u>	<u>-</u>	<u>720,861</u>	<u>128,725</u>	<u>1,699,170</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS JUNE 30, 2019

	Transit Fund	Civic Center Fund	Solid Waste Fund	Telecommunications Fund	Totals
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 54,704	\$ 718,724	\$ 300,612	\$ 99,427	\$ 1,173,467
Current portion - compensated absences	111,955	-	152,689	23,140	287,784
Due to other funds	760,922	-	1,152,718	300,000	2,213,640
Advanced payments and customer deposits	-	80,953	-	-	80,953
Unearned revenue	56,185	-	-	-	56,185
Total current liabilities	983,766	799,677	1,606,019	422,567	3,812,029
<b>LONG-TERM LIABILITIES</b>					
Compensated absences, net of current portion	12,439	-	16,965	2,571	31,975
Advance from other funds	-	-	-	4,175,248	4,175,248
Net pension liability	2,935,226	-	2,490,495	444,731	5,870,452
Total long-term liabilities	2,947,665	-	2,507,460	4,622,550	10,077,675
Total liabilities	3,931,431	799,677	4,113,479	5,045,117	13,889,704
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Differences between expected and actual experience of economic/demographic (gains)/losses	107,566	-	91,268	16,298	215,132
Total deferred inflows of resources	107,566	-	91,268	16,298	215,132
<b>NET POSITION</b>					
Investment in capital assets	7,063,136	9,272,636	2,770,815	7,320,880	26,427,467
Unrestricted (deficit)	(1,706,727)	295,595	1,465,855	(3,757,736)	(3,703,013)
Total net position	\$ 5,356,409	\$ 9,568,231	\$ 4,236,670	\$ 3,563,144	\$ 22,724,454

# 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, 2019

	Transit Fund	Civic Center Fund	Solid Waste Fund	Telecommunications Fund	Totals
<b>Operating revenues:</b>					
Charges for services	\$ 793,385	\$ 1,285,296	\$ 10,213,739	\$ 3,087,090	\$ 15,379,510
Other	-	-	-	147,337	147,337
Total operating revenues	<u>793,385</u>	<u>1,285,296</u>	<u>10,213,739</u>	<u>3,234,427</u>	<u>15,526,847</u>
<b>Operating expenses:</b>					
Personnel costs	2,439,067	46,476	1,985,052	438,217	4,908,812
Supplies	54,877	-	106,146	77,332	238,355
Operating services and charges	1,737,858	2,666,321	6,322,359	2,279,464	13,006,002
Maintenance and repairs	651,002	2,061	687,385	23,219	1,363,667
Depreciation	895,190	477,953	399,341	435,747	2,208,231
Total operating expenses	<u>5,777,994</u>	<u>3,192,811</u>	<u>9,500,283</u>	<u>3,253,979</u>	<u>21,725,067</u>
Operating income (loss)	<u>(4,984,609)</u>	<u>(1,907,515)</u>	<u>713,456</u>	<u>(19,552)</u>	<u>(6,198,220)</u>
<b>Nonoperating revenues (expenses):</b>					
Investment income	-	76	23,161	-	23,237
Intergovernmental - operating grants	1,095,785	-	-	-	1,095,785
Gain (loss) on sale of assets	(1,275)	3,832	(57,780)	(38,138)	(93,361)
Total nonoperating revenues (expenses)	<u>1,094,510</u>	<u>3,908</u>	<u>(34,619)</u>	<u>(38,138)</u>	<u>1,025,661</u>
Income (loss) before capital contributions and transfers	<u>(3,890,099)</u>	<u>(1,903,607)</u>	<u>678,837</u>	<u>(57,690)</u>	<u>(5,172,559)</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Transit Fund	Civic Center Fund	Solid Waste Fund	Telecommunication Fund	Totals
<b>Capital contributions</b>					
Intergovernmental - capital grants	\$ 1,224,683	\$ -	\$ -	\$ -	\$ 1,224,683
Other capital contributions	7,773	195,187	18,030	-	220,990
Total capital contributions	1,232,456	195,187	18,030	-	1,445,673
<b>Transfers</b>					
Transfers in	1,513,217	961,936	-	-	2,475,153
Transfers out	-	-	(868,447)	(262,403)	(1,130,850)
Total transfers	1,513,217	961,936	(868,447)	(262,403)	1,344,303
Change in net position	(1,144,426)	(746,484)	(171,580)	(320,093)	(2,382,583)
<b>Total net position, beginning of year</b>	6,500,835	10,314,715	4,408,250	3,883,237	25,107,037
<b>Total net position, end of year</b>	\$ 5,356,409	\$ 9,568,231	\$ 4,236,670	\$ 3,563,144	\$ 22,724,454

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Transit Fund	Civic Center Fund	Solid Waste Fund	Telecommunications Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 793,387	\$ 1,360,600	\$ 10,252,778	\$ 3,258,273	\$ 15,665,038
Payments to suppliers	(2,086,362)	(1,976,486)	(7,296,112)	(5,622,853)	(16,981,813)
Payments to employees	(2,300,671)	(46,476)	(1,814,156)	(408,024)	(4,569,327)
Net cash provided by (used in) operating activities	(3,593,646)	(662,362)	1,142,510	(2,772,604)	(5,886,102)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Advance from other funds	-	-	-	4,175,248	4,175,248
Transfers in	1,513,217	961,936	-	-	2,475,153
Transfers out	-	-	(868,447)	(262,403)	(1,130,850)
Operating grants received	1,095,785	-	-	-	1,095,785
Net cash provided by (used in) noncapital financing activities	2,609,002	961,936	(868,447)	3,912,845	6,615,336
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(241,764)	-	(93,822)	(561,644)	(897,230)
Proceeds from sale of capital assets	1,725	24,735	34,220	-	60,680
Capital grants received	1,224,683	-	-	-	1,224,683
Net cash provided by (used in) capital and related financing activities	984,644	24,735	(59,602)	(561,644)	388,133
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales of investments	-	-	(1,138,204)	-	(1,138,204)
Purchase of investments	-	-	1,118,328	-	1,118,328
Interest on investments	-	76	23,161	-	23,237
Net cash provided by investing activities	-	76	3,285	-	3,361

(Continued)

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Transit Fund	Civic Center Fund	Solid Waste Fund	Telecommunications Fund	Totals
<b>Increase (decrease) in cash and cash equivalents</b>	\$ -	\$ 324,385	\$ 217,746	\$ 578,597	\$ 1,120,728
<b>Cash and cash equivalents:</b>					
Beginning of year	-	263,251	1,751,579	188,400	2,203,230
End of year	<u>\$ -</u>	<u>\$ 587,636</u>	<u>\$ 1,969,325</u>	<u>\$ 766,997</u>	<u>\$ 3,323,958</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ (4,984,609)	\$ (1,907,515)	\$ 713,456	\$ (19,552)	\$ (6,198,220)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	895,190	477,953	399,341	435,747	2,208,231
(Increase) decrease in accounts receivable	-	(231,682)	39,039	23,846	(168,797)
Decrease in inventories	-	-	-	11,237	11,237
Increase in prepaid expenses	-	(22,911)	-	-	(22,911)
Decrease in due from other funds	-	265,415	-	-	265,415
Decrease in due from other governments	1,767,509	-	-	-	1,767,509
Increase in contributions subsequent to measurement date	(11,747)	-	(3,425)	(612)	(15,784)
Decrease in net difference between expected and actual experience of economic/demographic (gains)/loss	139,356	-	120,423	21,505	281,284
Increase in assumption changes	4,833	-	14,772	2,638	22,243
Increase (decrease) in accounts payable and other liabilities	(121,300)	714,807	(306)	50,880	644,081
Decrease in due to other funds	(1,410,134)	-	(178,099)	(3,304,955)	(4,893,188)
Increase in unearned revenues	2	41,571	-	-	41,573
Increase in net pension liability	138,922	-	43,729	7,808	190,459
Decrease in net difference between projected and actual earnings on pension plan investments	(11,668)	-	(6,420)	(1,146)	(19,234)
Net cash provided by (used in) operating activities	<u>\$ (3,593,646)</u>	<u>\$ (662,362)</u>	<u>\$ 1,142,510</u>	<u>\$ (2,772,604)</u>	<u>\$ (5,886,102)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Contributions of capital assets (to) from governmental activities	\$ -	\$ 6,253	\$ 18,030	\$ -	\$ 24,283
Contributions of capital assets (to) from other proprietary funds	5,000	16,779	-	-	21,779
Contributions of capital assets from outside sources	7,773	188,934	-	-	196,707
Total noncash investing, capital and financing activities	<u>\$ 12,773</u>	<u>\$ 211,966</u>	<u>\$ 18,030</u>	<u>\$ -</u>	<u>\$ 242,769</u>



# CITY OF ALBANY, GEORGIA

## INTERNAL SERVICE FUNDS

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

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2019

	Self-Administered Insurance Fund	Public Employees' Group Health Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Fleet Management Fund	Totals
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash	\$ 335,515	\$ 2,458,970	\$ 762,485	\$ -	\$ 2,330,789	\$ -	\$ 5,887,759
Investments	3,609,219	-	2,149,219	1,043,301	2,549,959	-	9,351,698
Accounts receivable	1,563,394	392,542	53,083	-	1,092,958	-	3,101,977
Inventory	-	-	-	-	-	601,159	601,159
Prepaid expenses	-	-	-	-	-	232,488	232,488
Due from other funds	-	613,392	-	1,903,154	173,005	-	2,689,551
	<u>5,508,128</u>	<u>3,464,904</u>	<u>2,964,787</u>	<u>2,946,455</u>	<u>6,146,711</u>	<u>833,647</u>	<u>21,864,632</u>
<b>NONCURRENT ASSETS</b>							
Capital assets							
Non-depreciable	-	-	-	-	723,623	3,431,043	4,154,666
Depreciable, net of accumulated depreciation	-	-	-	-	4,569,180	743,474	5,312,654
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,292,803</u>	<u>4,174,517</u>	<u>9,467,320</u>
Total assets	<u>5,508,128</u>	<u>3,464,904</u>	<u>2,964,787</u>	<u>2,946,455</u>	<u>11,439,514</u>	<u>5,008,164</u>	<u>31,331,952</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Net difference between projected and actual earnings on pension plan investments	-	4,332	-	-	467,835	86,636	558,803
Differences between expected and actual experience of economic/demographic (gains)/losses	-	1,530	-	-	165,248	30,601	197,379
Assumption changes	-	12,049	-	-	1,301,269	240,976	1,554,294
City contributions subsequent to the measurement date	<u>-</u>	<u>7,834</u>	<u>-</u>	<u>-</u>	<u>846,109</u>	<u>156,687</u>	<u>1,010,630</u>
Total deferred outflows of resources	<u>-</u>	<u>25,745</u>	<u>-</u>	<u>-</u>	<u>2,780,461</u>	<u>514,900</u>	<u>3,321,106</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2019

	Self-Administered Insurance Fund	Public Employees' Group Health Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Fleet Management Fund	Totals
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable	\$ 173,654	\$ 291,964	\$ 1,453	\$ 97,784	\$ 279,697	\$ 389,289	\$ 1,233,841
Accrued liabilities	-	-	-	-	531,944	-	531,944
Claims payable	1,783,500	580,000	640,260	-	-	-	3,003,760
Current portion - compensated absences	-	-	-	-	885,691	150,929	1,036,620
Due to other funds	-	-	-	-	-	150,000	150,000
Total current liabilities	<u>1,957,154</u>	<u>871,964</u>	<u>641,713</u>	<u>97,784</u>	<u>1,697,332</u>	<u>690,218</u>	<u>5,956,165</u>
<b>NONCURRENT LIABILITIES</b>							
Compensated absences, net of current portion	-	-	-	-	98,410	16,770	115,180
Advance from other funds	-	-	-	-	-	2,222,123	2,222,123
Customer deposits	-	-	-	-	2,345,482	-	2,345,482
Net pension liability	-	88,946	-	-	9,606,196	1,778,925	11,474,067
Total long-term liabilities	<u>-</u>	<u>88,946</u>	<u>-</u>	<u>-</u>	<u>12,050,088</u>	<u>4,017,818</u>	<u>16,156,852</u>
Total liabilities	<u>1,957,154</u>	<u>960,910</u>	<u>641,713</u>	<u>97,784</u>	<u>13,747,420</u>	<u>4,708,036</u>	<u>22,113,017</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Differences between expected and actual experience of economic/demographic (gains)/losses	-	3,260	-	-	352,035	65,191	420,486
Total deferred inflows of resources	<u>-</u>	<u>3,260</u>	<u>-</u>	<u>-</u>	<u>352,035</u>	<u>65,191</u>	<u>420,486</u>
<b>NET POSITION</b>							
Investment in capital assets	-	-	-	-	5,292,803	4,174,517	9,467,320
Unrestricted (deficit)	<u>3,550,974</u>	<u>2,526,479</u>	<u>2,323,074</u>	<u>2,848,671</u>	<u>(5,172,283)</u>	<u>(3,424,680)</u>	<u>2,652,235</u>
Total net position	<u>\$ 3,550,974</u>	<u>\$ 2,526,479</u>	<u>\$ 2,323,074</u>	<u>\$ 2,848,671</u>	<u>\$ 120,520</u>	<u>\$ 749,837</u>	<u>\$ 12,119,555</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, 2019

	Self-Administered Insurance Fund	Public Employees' Group Health Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Fleet Management Fund	Totals
<b>Operating revenues:</b>							
Charges for services	\$ 5,136,916	\$ 12,972,991	\$ 1,387,306	\$ -	\$ 13,501,884	\$ 1,561,485	\$ 34,560,582
Other	21,761	-	422,999	-	98	-	444,858
Total operating revenues	5,158,677	12,972,991	1,810,305	-	13,501,982	1,561,485	35,005,440
<b>Operating expenses:</b>							
Personnel costs	-	-	-	244,182	7,868,439	1,640,452	9,753,073
General and administrative	525,688	2,822,165	400,386	61,347	-	108,137	3,917,723
Supplies	-	-	-	-	372,354	172,218	544,572
Operating services and charges	-	-	-	116,637	4,281,431	-	4,398,068
Maintenance and repairs	-	-	-	-	275,693	479,458	755,151
Depreciation	-	-	-	-	538,709	56,627	595,336
Claims and damages	1,370,819	11,497,879	505,004	-	-	-	13,373,702
Total operating expenses	1,896,507	14,320,044	905,390	422,166	13,336,626	2,456,892	33,337,625
Operating income (loss)	3,262,170	(1,347,053)	904,915	(422,166)	165,356	(895,407)	1,667,815
<b>Nonoperating revenues (expenses):</b>							
Investment income	50,635	-	24,828	14,312	41,757	-	131,532
Gain (loss) on sale of assets	-	-	-	-	(158,033)	(5,218)	(163,251)
Total nonoperating revenues (expenses)	50,635	-	24,828	14,312	(116,276)	(5,218)	(31,719)
Income (loss) before transfers	3,312,805	(1,347,053)	929,743	(407,854)	49,080	(900,625)	1,636,096
<b>Capital contributions</b>							
Other capital contributions	-	-	-	-	71,440	1,650,462	1,721,902
Total capital contributions	-	-	-	-	71,440	1,650,462	1,721,902
<b>Transfers</b>							
Transfers in	-	700,000	-	-	-	-	700,000
Total transfers	-	700,000	-	-	-	-	700,000
Change in net position	3,312,805	(647,053)	929,743	(407,854)	120,520	749,837	4,057,998
<b>Net position, beginning of year</b>	238,169	3,173,532	1,393,331	3,256,525	-	-	8,061,557
<b>Net position, end of year</b>	\$ 3,550,974	\$ 2,526,479	\$ 2,323,074	\$ 2,848,671	\$ 120,520	\$ 749,837	\$ 12,119,555

**CITY OF ALBANY, GEORGIA**

**COMBINING STATEMENT OF CASH FLOWS**

**INTERNAL SERVICE FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Self-Administered Insurance Fund	Public Employees' Group Health Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Fleet Management Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from other funds	\$ 3,590,869	\$ 12,369,804	\$ 1,398,958	\$ -	\$ -	\$ 553,948	\$ 17,913,579
Receipts from customers	-	-	-	-	13,400,765	-	13,400,765
Payments to suppliers	-	-	-	244,182	(4,921,948)	(666,641)	(5,344,407)
Payments to employees	-	-	-	(244,182)	(7,214,777)	(1,338,415)	(8,797,374)
Claims paid	(2,847,319)	(11,805,876)	(1,296,061)	-	-	-	(15,949,256)
Premiums paid	(610,774)	(2,822,165)	(1,835)	-	-	-	(3,434,774)
Net cash provided by (used in) operating activities	132,776	(2,258,237)	101,062	-	1,264,040	(1,451,108)	(2,211,467)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Advance from other funds	-	-	-	-	-	2,222,123	2,222,123
Transfers in	-	700,000	-	-	-	-	700,000
Net cash provided by noncapital financing activities	-	700,000	-	-	-	2,222,123	2,922,123
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Acquisition and construction of capital assets	-	-	-	-	(9,345)	(771,080)	(780,425)
Proceeds from sale of capital assets	-	-	-	-	8,563	65	8,628
Net cash used in capital and related financing activities	-	-	-	-	(782)	(771,015)	(771,797)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchases of investments	-	-	-	(14,312)	(34,982)	-	(49,294)
Investment income	50,635	-	24,828	14,312	41,757	-	131,532
Net cash provided by investing activities	50,635	-	24,828	-	6,775	-	82,238
Increase (decrease) in cash and cash equivalents	183,411	(1,558,237)	125,890	-	1,270,033	-	21,097
<b>Cash and cash equivalents:</b>							
Beginning of year	152,104	4,017,207	636,595	-	1,060,756	-	5,866,662
End of year	\$ 335,515	\$ 2,458,970	\$ 762,485	\$ -	\$ 2,330,789	\$ -	\$ 5,887,759

(Continued)

**CITY OF ALBANY, GEORGIA**

**COMBINING STATEMENT OF CASH FLOWS**

**INTERNAL SERVICE FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Self-Administered Insurance Fund	Public Employees' Group Health Fund	Workers' Compensation Fund	R3M Fund	Utility Fund	Fleet Management Fund	Totals
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>							
<b>TO NET CASH PROVIDED BY (USED IN)</b>							
<b>OPERATING ACTIVITIES</b>							
Operating income (loss)	\$ 3,262,170	\$ (1,347,053)	\$ 904,915	\$ (422,166)	\$ 165,356	\$ (895,407)	\$ 1,667,815
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	-	-	-	-	538,709	56,627	595,336
Changes in assets and liabilities:							
Increase in investment pool	(20,213)	-	(417,951)	-	-	-	(438,164)
(Increase) decrease in accounts receivable	(1,547,595)	10,205	6,604	-	(101,217)	-	(1,632,003)
(Increase) decrease in inventory	-	-	-	-	-	(21,563)	(21,563)
(Increase) decrease in prepaid expenses	-	-	-	-	-	(232,488)	(232,488)
(Increase) decrease in due from other funds	-	(613,392)	-	381,425	8,855	-	(223,112)
Decrease in net difference between expected and actual experience of economic/demographic (gains)/loss	-	4,301	-	-	469,632	78,302	552,235
(Increase) decrease in contributions subsequent to the measurement date	-	(122)	-	-	2,217	(25,582)	(23,487)
Increase in assumption changes	-	527	-	-	82,130	(27,178)	55,479
Increase (decrease) in accounts payable and other liabilities	(85,086)	(474,035)	(1,835)	40,741	121,012	347,223	(51,980)
Increase (decrease) in claims payable	(1,476,500)	160,000	(390,671)	-	-	-	(1,707,171)
Increase in due to other funds	-	-	-	-	-	(1,007,537)	(1,007,537)
Increase (decrease) in net pension liability	-	1,561	-	-	(6,099)	293,388	288,850
Decrease in net difference between projected and actual earnings on pension plan investments	-	(229)	-	-	(16,555)	(16,893)	(33,677)
Net cash provided by (used in) operating activities	<u>\$ 132,776</u>	<u>\$ (2,258,237)</u>	<u>\$ 101,062</u>	<u>\$ -</u>	<u>\$ 1,264,040</u>	<u>\$ (1,451,108)</u>	<u>\$ (2,211,467)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>							
Contributions of capital assets (to) from governmental activities	\$ -	\$ -	\$ -	\$ -	\$ 71,440	\$ 1,645,244	\$ 1,716,684
Contributions of capital assets (to) from proprietary activities	-	-	-	-	200,312	21,494	221,806
Total noncash investing, capital and financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,752</u>	<u>\$ 1,666,738</u>	<u>\$ 1,938,490</u>

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2016 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
City Street Resurfacing	\$ 10,000,000	\$ 10,000,000	\$ 2,971,004	\$ 3,579,799	\$ 6,550,803
Barkley Blvd Extension	1,000,000	1,000,000	10,030	2,624	12,654
Railroad Crossing Improvements	1,600,000	1,600,000	899	456,862	457,761
Alley Paving Program	2,000,000	2,000,000	-	16,934	16,934
City Paved Alley Reconstruction	1,500,000	1,500,000	-	-	-
City Alley Crushed Asphalt Application	1,000,000	1,000,000	-	83,889	83,889
City Sidewalks & Streetscape	2,500,000	2,500,000	9,093	13,209	22,302
Extention of N. Washington St.	1,900,000	1,900,000	-	-	-
Traffic Signal Upgrades	1,080,000	1,080,000	9,368	4,123	13,491
Federal Manadate Sign Upgrades	500,000	500,000	-	-	-
Underground Utility Installation	3,500,000	3,500,000	28,518	203,760	232,278
Street Light Upgrades	2,500,000	2,500,000	-	480,249	480,249
Interceptor Sewer Improvements	535,000	535,000	-	-	-
Storm Sewer Outfall Improvements	4,000,000	4,000,000	-	-	-
Storm Pumping Stations for Minor Ponds	700,000	700,000	17,841	594	18,435
Holloway-Mercer Drainage	615,000	615,000	-	-	-
SCADA System Upgrades	250,000	250,000	78,216	1,650	79,866
IT Hardware Upgrades	1,545,000	1,545,000	-	164,734	164,734
GPS/GIS Infrastructure Mapping	1,000,000	1,000,000	-	107,977	107,977
IT Software Upgrades	4,100,000	4,100,000	-	277,513	277,513
P25 Radio Project	4,600,000	4,600,000	1,439,550	1,439,550	2,879,100
Fire Station Relocation	1,250,000	1,250,000	-	-	-
General Recreational Improvements	3,900,000	3,900,000	86,754	1,517,898	1,604,652
Carver Pool Renovations/Improvements	750,000	750,000	-	-	-
Chehaw Park Improvements	1,000,000	1,000,000	363,053	77,351	440,404
Jefferson St. Pool Renovations	650,000	650,000	1,750	731,688	733,438
New General Aviation Terminal Bldg	2,300,000	2,300,000	-	-	-
New Transportation Center	2,500,000	2,500,000	-	-	-
Thronateeska Heritage Cntr Improvements	425,000	425,000	108,015	222,908	330,923
Total	<u>\$ 59,200,000</u>	<u>\$ 59,200,000</u>	<u>\$ 5,124,091</u>	<u>\$ 9,383,312</u>	<u>\$ 14,507,403</u>

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2010 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
Airport Improvements	\$ 3,992,000	\$ 4,272,378	\$ 4,272,378	\$ -	\$ 4,272,378
Civic Center Improvements	350,000	350,000	-	6,253	6,253
Sanitary and Storm Drainage Improvements	9,000,000	8,500,000	1,535,497	5,998,484	7,533,981
Broad Avenue Bridge	7,000,000	365,280	40,764	-	40,764
Roadway, Traffic Safety, and Sidewalk Improvements	11,501,500	14,079,050	9,946,224	48,818	9,995,042
Fire Department Improvements	3,198,184	5,341,291	5,341,291	-	5,341,291
911 Center Upgrade	2,850,000	2,281,074	2,212,893	-	2,212,893
Public Safety Improvements	487,100	1,942,592	1,935,665	465,799	2,401,464
APD Technology Project	2,551,000	2,380,542	1,460,582	-	1,460,582
Alley Paving Improvements	3,684,216	3,243,366	4,271,086	17,523	4,288,609
Technology and Communications Improvements	1,500,000	1,100,000	1,100,438	-	1,100,438
Riverfront Development Improvements	250,000	250,000	35,422	-	35,422
Transit System Improvements	4,380,000	4,380,000	2,868,419	1,681,411	4,549,830
Solid Waste Improvements	615,000	615,000	591,377	18,030	609,407
Historical and Cultural Improvements	276,000	250,000	-	-	-
Recreational Facility Improvements	2,750,000	2,977,880	1,500,799	277,077	1,777,876
City-Owned Facility Improvements	500,000	6,728	6,728	-	6,728
New Senior Center	3,000,000	3,292,382	3,292,382	-	3,292,382
Chehaw Park Improvements	1,750,000	2,080,078	1,616,413	1,299	1,617,712
Community Swimming Pool - East Albany	1,000,000	1,442,859	1,442,859	-	1,442,859
Thronateeska Improvements	2,000,000	2,099,377	2,099,378	-	2,099,378
Chamber of Commerce Improvements	85,000	85,000	85,000	-	85,000
Debt Service - Interest on SPLOST bonds	-	991,000	1,652,784	3,254	1,656,038
Total	\$ 62,720,000	\$ 62,325,877	\$ 47,308,379	\$ 8,517,948	\$ 55,826,327



# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2004 SPECIAL CITY SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current Year	
Airport Improvements	\$ 1,703,200	\$ 1,703,018	\$ 1,703,018	\$ -	\$ 1,703,018
Civic Center Improvements	2,560,000	2,523,271	2,523,271	-	2,523,271
Engineering	13,850,000	14,092,496	6,146,533	7,911	6,154,444
Civic Center Debt Retirement	5,500,000	6,669,376	6,669,376	-	6,669,376
Fire Department Equipment	1,500,000	1,497,428	1,497,428	-	1,497,428
Public Safety Communications and Equipment	150,000	145,757	145,756	-	145,756
Public Works	6,810,000	6,683,856	6,683,857	-	6,683,857
Recreation	5,000,000	5,091,062	5,091,062	-	5,091,062
800 MHZ Radio Upgrade, Tower	6,800,000	6,572,933	6,572,933	-	6,572,933
GPS/GIS Information Infrastructure Mapping	1,500,000	1,500,148	1,500,148	-	1,500,148
Fire Training Facility	1,500,000	1,727,629	1,727,629	-	1,727,629
GIS/Color Infrared Photos	750,000	750,000	716,586	2,100	718,686
Disparity Study	350,000	339,871	339,871	-	339,871
Riverfront Development Projects	8,650,000	5,054,082	5,054,082	-	5,054,082
Thronateeska Improvements	3,500,000	3,927,802	3,927,801	-	3,927,801
Civil Rights Museum Expansion	3,750,000	4,035,383	4,035,383	-	4,035,383
Chehaw Park Improvements	2,000,000	1,999,341	1,999,341	-	1,999,341
East Broad Lead Clean-up	-	1,559,747	1,470,573	37,223	1,507,796
Debt Service - Principal on SPLOST bonds	-	-	14,000,000	-	14,000,000
Debt Service - Interest on SPLOST bonds	-	-	2,220,422	24	2,220,446
Total	<u>\$ 65,873,200</u>	<u>\$ 65,873,200</u>	<u>\$ 74,025,070</u>	<u>\$ 47,258</u>	<u>\$ 74,072,328</u>

**STATISTICAL SECTION  
(UNAUDITED)**

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## STATISTICAL SECTION (UNAUDITED)

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

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#### **Financial Trends..... 132 –140**

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

#### **Revenue Capacity ..... 141 – 145**

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

#### **Debt Capacity ..... 146 – 150**

*These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*

#### **Demographic and Economic Information..... 151 and 152**

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

#### **Operating Information ..... 153 – 155**

*These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.*

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

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

# CITY OF ALBANY, GEORGIA

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 88,743,491	\$ 98,535,755	\$ 73,083,652	\$ 78,515,796	\$ 78,550,845	\$ 71,425,125	\$ 71,425,125	\$ 97,680,943	\$ 96,269,861	\$ 99,138,138
Restricted	13,177,567	25,826,583	47,176,694	38,807,274	38,366,853	36,560,923	36,560,923	22,747,421	25,715,167	27,403,396
Unrestricted	45,542,781	30,230,043	35,240,562	40,806,398	43,484,743	22,864,246	22,864,246	38,745,532	19,574,711	2,907,141
Total governmental activities net position	<u>\$ 147,463,839</u>	<u>\$ 154,592,381</u>	<u>\$ 155,500,908</u>	<u>\$ 158,129,468</u>	<u>\$ 160,402,441</u>	<u>\$ 130,850,294</u>	<u>\$ 130,850,294</u>	<u>\$ 130,850,294</u>	<u>\$ 141,559,739</u>	<u>\$ 129,448,675</u>
Business-type activities										
Net investment in capital assets	\$ 90,125,991	\$ 94,042,509	\$ 99,376,889	\$ 165,888,018	\$ 169,002,698	\$ 172,427,764	\$ 172,427,764	\$ 176,006,160	\$ 177,969,653	\$ 168,121,755
Restricted	2,667,647	9,036,399	8,768,406	9,593,844	6,077,401	8,944,173	8,944,173	9,068,681	8,789,909	9,010,097
Unrestricted	12,927,651	9,762,737	10,043,897	14,979,263	21,348,097	15,870,320	15,870,320	26,780,667	34,456,676	49,727,364
Total business-type activities net position	<u>\$ 105,721,289</u>	<u>\$ 112,841,645</u>	<u>\$ 118,189,192</u>	<u>\$ 190,461,125</u>	<u>\$ 196,428,196</u>	<u>\$ 197,242,257</u>	<u>\$ 197,242,257</u>	<u>\$ 197,242,257</u>	<u>\$ 221,216,238</u>	<u>\$ 226,859,216</u>
Primary government										
Net investment in capital assets	\$ 192,578,264	\$ 172,460,541	\$ 244,403,814	\$ 247,553,543	\$ 243,852,889	\$ 243,852,889	\$ 243,852,889	\$ 273,687,103	\$ 274,239,514	\$ 267,259,893
Restricted	34,862,982	55,945,100	48,401,118	44,444,254	45,505,096	45,505,096	31,816,102	31,816,102	34,505,076	36,413,493
Unrestricted	39,992,780	45,284,459	55,785,661	64,832,840	38,734,566	38,734,566	38,734,566	65,526,199	54,031,387	52,634,505
Total primary government net position	<u>\$ 267,434,026</u>	<u>\$ 273,690,100</u>	<u>\$ 348,590,593</u>	<u>\$ 356,830,637</u>	<u>\$ 328,092,551</u>	<u>\$ 328,092,551</u>	<u>\$ 314,403,557</u>	<u>\$ 371,029,404</u>	<u>\$ 362,775,977</u>	<u>\$ 356,307,891</u>

# CITY OF ALBANY, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Primary government:										
Governmental activities:										
General government	\$ 10,854,334	\$ 12,988,647	\$ 15,659,577	\$ 11,850,540	\$ 11,676,280	\$ 7,580,735	\$ 13,149,259	\$ 13,907,384	\$ 10,182,547	\$ 25,163,491
Judicial	1,057,836	1,016,422	1,092,438	1,105,206	1,161,891	1,114,238	1,142,848	1,150,395	1,207,165	1,216,573
Public safety	31,544,927	33,541,721	36,274,636	34,446,708	35,504,804	34,819,323	33,992,566	36,434,952	34,632,491	37,619,568
Public works	7,393,923	6,981,385	8,562,916	11,763,774	12,075,120	8,154,192	9,022,331	9,360,884	11,225,072	12,857,791
Parks and recreation	6,684,312	7,031,469	6,572,226	9,134,107	7,174,684	5,796,910	7,750,411	7,578,570	7,473,268	9,426,349
Community development	7,447,371	5,851,434	8,866,465	4,788,597	5,680,377	7,202,674	3,743,861	6,999,183	6,301,517	6,748,327
Community service	398,458	396,531	413,150	383,794	434,420	232,364	379,747	493,093	495,647	494,888
Interest and fiscal changes	1,166,548	1,079,261	737,496	908,094	914,022	901,640	648,357	682,044	627,757	609,239
Total governmental activities expenses	66,547,709	68,886,870	78,178,904	74,380,820	74,621,598	65,802,076	69,829,380	76,606,505	72,145,464	94,136,226
Business-type activities:										
Sanitary sewer	14,569,098	12,838,068	13,802,498	13,510,612	12,822,696	12,268,460	12,094,253	13,478,400	12,874,269	13,929,469
Solid waste	8,092,385	7,963,262	8,336,517	8,303,044	8,116,940	8,946,091	8,908,087	10,079,015	11,290,932	7,651,569
Airport	2,626,279	2,643,741	2,632,485	2,873,052	2,626,374	2,966,447	3,494,862	3,635,803	3,993,128	4,053,762
Water, gas and light	-	-	-	103,961,719	106,533,670	-	-	-	-	-
Water	-	-	-	-	-	10,223,707	9,511,549	11,350,093	11,156,709	10,752,410
Light	-	-	-	-	-	96,684,785	88,893,351	95,011,447	86,150,688	90,712,268
Gas	-	-	-	-	-	11,112,701	11,191,545	15,726,147	14,822,635	11,201,256
Telecommunications	-	-	-	-	-	3,621,346	3,101,115	3,212,149	2,973,103	3,099,818
Storm water	-	-	-	-	-	5,470,230	5,477,062	13,389,437	5,791,487	14,553,068
Public employees' deposit	12,036,183	13,286,117	14,435,555	13,561,049	-	-	-	-	-	-
Transit	3,092,032	3,034,292	3,511,901	3,608,070	3,717,068	4,534,919	3,822,213	4,074,127	6,416,909	5,752,566
Civic Center	1,913,705	1,885,466	2,197,236	2,079,981	1,779,313	2,308,789	1,813,508	2,214,111	1,481,977	3,268,521
Municipal Auditorium	161,184	54,971	-	-	-	-	-	-	-	-
Total business-type activities expenses	42,490,866	41,705,917	44,916,192	147,897,527	135,596,061	158,137,475	148,307,545	172,170,729	156,951,838	164,974,707
Total primary government expenses	109,038,575	110,592,787	123,095,096	222,278,347	210,217,659	223,939,551	218,136,925	248,777,234	229,097,302	259,110,933

(Continued)

# CITY OF ALBANY, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program revenues										
Primary government:										
Governmental activities:										
Charges for services:										
General government	\$ 2,415,222	\$ 2,596,447	\$ 2,640,527	\$ 931,310	\$ 1,082,203	\$ 1,188,303	\$ 1,192,066	\$ 978,011	\$ 1,968,719	\$ 1,691,373
Judicial	1,297,694	1,251,773	1,203,831	22,784	-	-	-	-	-	-
Public safety	1,731,747	1,556,068	1,520,217	3,037,017	3,135,111	2,966,355	3,130,513	3,051,168	2,596,832	2,616,957
Public works	940,648	984,194	981,413	995,027	793,518	775,990	710,838	986,544	1,113,623	2,202,890
Parks and recreation	290,619	204,102	203,342	180,876	148,160	130,937	114,769	125,869	221,683	258,437
Community development	1,403,145	1,285,180	1,097,442	1,579,390	(978,163)	1,383,430	1,394,517	1,263,426	1,072,640	822,119
Operating grants and contributions	21,613,472	22,392,721	23,495,445	8,219,946	7,789,779	11,377,521	12,658,215	13,190,186	12,963,827	12,553,452
Capital grants and contributions	14,719,811	15,615,908	17,027,629	16,646,062	12,863,878	12,565,452	12,356,837	23,981,989	11,476,443	12,031,619
Total governmental activities										
program revenues	44,412,358	45,886,393	48,169,846	31,612,412	24,834,486	30,387,988	31,557,755	43,577,193	31,413,767	32,176,847
Business-type activities:										
Charges for services:										
Sanitary sewer	14,725,910	15,301,208	14,554,746	14,303,532	14,311,708	12,873,459	14,429,200	14,844,008	14,681,041	15,252,213
Solid waste	8,844,741	9,033,593	9,105,594	9,135,850	9,454,958	9,854,717	9,647,082	9,875,694	9,958,217	10,213,739
Airport	878,643	762,688	834,146	841,426	822,283	835,299	832,128	1,055,894	1,070,668	1,134,942
Water, gas and light	-	-	-	118,441,492	124,653,672	-	-	-	-	-
Water	-	-	-	-	-	11,934,909	11,313,068	12,535,266	11,768,730	12,246,394
Light	-	-	-	-	-	116,439,184	110,012,176	107,560,618	107,846,750	102,051,612
Gas	-	-	-	-	-	15,453,714	15,463,910	15,765,267	17,661,084	17,879,460
Telecommunications	-	-	-	-	-	2,737,692	2,254,568	2,630,955	2,996,914	3,234,427
Public employees' deposit	12,042,502	13,801,791	13,971,380	13,540,775	-	-	-	-	-	-
Transit	476,251	525,469	557,583	559,691	577,991	581,488	522,454	493,657	810,498	793,385
Storm water	-	-	-	-	723,807	3,606,753	2,824,693	4,281,447	4,267,102	7,586,623
Civic Center	404,489	360,583	444,135	342,773	311,474	307,969	315,437	337,174	271,409	1,285,296
Municipal Auditorium	61,862	60,769	-	-	-	-	-	-	-	-
Operating grants and contributions	1,175,803	1,254,198	1,228,886	871,411	1,023,046	1,049,408	1,239,904	15,709,353	2,638,205	1,095,785
Capital grants and contributions	3,114,877	-	3,790,551	7,724,576	2,691,726	3,673,081	1,989,102	965,708	3,149,058	2,859,625
Total business-type activities										
program revenues	41,725,078	41,100,299	44,487,021	165,761,526	154,570,665	179,347,673	170,843,722	186,055,041	177,119,676	175,633,501
Total primary government program										
revenues	86,137,436	86,986,692	92,656,867	197,373,938	179,405,151	209,735,661	202,401,477	229,632,234	208,533,443	207,810,348

(Continued)

# CITY OF ALBANY, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General revenues and other changes in net position										
Primary government:										
Governmental activities:										
Taxes	\$ 33,658,616	\$ 31,573,914	\$ 31,839,278	\$ 35,568,965	\$ 36,525,275	\$ 37,984,905	\$ 37,841,772	\$ 37,968,441	\$ 38,021,997	\$ 40,370,706
Investment earnings	874,098	1,009,368	1,750,706	356,766	1,649,063	770,805	1,331,409	38,620	55,045	3,513,176
Gain on sale of assets	-	-	-	-	-	215,122	-	-	-	-
Transfers	46,962	(4,316,622)	(4,680,629)	13,338,381	13,885,747	3,142,238	12,064,620	10,379,677	11,114,425	5,964,433
Total governmental activities general revenues and other changes in net position	34,579,676	28,266,660	28,909,355	49,264,112	52,060,085	42,113,070	51,237,801	48,386,738	49,191,467	49,848,315
Business-type activities:										
Investment earnings	71,199	334,521	1,096,090	(129,346)	657,412	118,782	401,121	63,633	193,373	822,611
Gain on sale of assets	-	-	-	82,871	220,802	122,251	52,237	120,068	113,944	126,006
Transfers	(46,962)	4,316,622	4,680,629	(13,338,381)	(13,885,747)	(3,142,238)	(12,064,620)	(10,379,677)	(11,114,425)	(5,964,433)
Total business-type activities general revenues and other changes in net position	24,237	4,651,143	5,776,719	(13,384,856)	(13,007,533)	(2,901,205)	(11,611,262)	(10,195,976)	(10,807,108)	(5,015,816)
Total primary government general revenues and other changes in net assets	34,603,913	32,917,803	34,686,074	35,879,256	39,052,552	39,211,865	39,626,539	38,190,762	38,190,762	44,832,499
Change in net position:										
Governmental activities	12,444,325	5,266,183	(1,099,703)	6,495,704	2,272,973	6,698,982	12,966,176	15,357,426	8,459,770	(12,111,064)
Business-type activities	(741,551)	4,045,525	5,347,548	4,479,143	5,967,071	18,308,993	10,924,915	3,688,336	9,360,730	5,642,978
Total primary government change in net position	\$ 11,702,774	\$ 9,311,708	\$ 4,247,845	\$ 10,974,847	\$ 8,240,044	\$ 25,007,975	\$ 23,891,091	\$ 19,045,762	\$ 17,820,500	\$ (6,468,086)

### NOTES

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

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

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

# CITY OF ALBANY, GEORGIA

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

Fiscal Year	Property Tax	Sales Tax	Hotel/Motel Tax	Franchise Tax	Insurance Premium Tax	Alcoholic Beverage Taxes	Other Taxes	Total
2010	\$ 15,324,267	\$ 8,932,040	\$ 1,271,433	\$ 2,290,921	\$ 4,279,238	\$ 1,434,095	\$ 126,622	\$ 33,658,616
2011	13,789,210	8,341,512	1,407,922	2,212,040	4,158,640	1,512,707	151,883	31,573,914
2012	13,932,138	8,874,041	1,445,522	2,318,244	3,645,630	1,421,037	202,666	31,839,278
2013	16,473,385	8,176,320	1,508,950	2,073,111	3,870,670	1,411,557	2,054,972	35,568,965
2014	16,761,694	8,658,079	1,727,832	1,891,363	3,994,353	1,347,638	2,144,316	36,525,275
2015	16,875,088	9,572,282	1,936,155	1,884,155	4,176,385	1,365,006	2,175,834	37,984,905
2016	16,315,586	9,683,370	1,994,981	1,915,178	4,461,781	1,339,383	2,131,493	37,841,772
2017	16,085,219	9,399,871	2,335,898	1,786,847	4,832,976	1,361,278	2,166,352	37,968,441
2018	16,202,550	9,271,522	2,270,461	1,675,797	5,146,339	1,310,153	2,145,175	38,021,997
2019	16,303,721	10,717,485	2,609,321	1,737,194	5,550,079	1,316,709	2,136,197	40,370,706



# CITY OF ALBANY, GEORGIA

## FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 287,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	22,402,480	-	-	-	-	-	-	-	-	-
Nonspendable	-	2,963,309	752,155	259,934	235,771	239,125	418,534	478,845	137,298	6,589,437
Restricted	-	-	-	-	38,470	72,016	142,319	37,996	12,599	15,510
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	703,259	724,897	741,304	755,119	764,879	792,672	817,258	840,253	863,339
Unassigned	-	20,112,553	20,869,545	13,568,156	16,461,430	20,403,856	26,046,316	28,922,087	31,482,500	25,037,962
Total General Fund	<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>	<u>\$ 30,256,186</u>	<u>\$ 32,472,650</u>	<u>\$ 32,506,248</u>
All Other Governmental Funds										
Reserved	\$ 1,191,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	5,663,995	-	-	-	-	-	-	-	-	-
Capital projects funds	22,374,566	-	-	-	-	-	-	-	-	-
Nonspendable, reported in:										
Capital projects funds	-	443,898	1,765,798	1,152,423	666,092	436,596	71,942	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	200
Restricted, reported in:										
Special revenue funds	-	5,358,579	7,724,921	5,935,517	4,593,080	3,625,897	1,747,032	3,046,206	2,497,042	2,097,986
Capital projects funds	-	20,461,190	39,451,773	38,693,602	40,803,181	40,811,186	38,543,270	29,074,158	32,621,800	33,183,596
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	23,064,621	23,801,400	24,674,308
Capital projects funds	-	-	-	6,260,070	6,484,444	6,656,593	8,631,796	18,692,544	19,631,650	15,632,552
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)	(1,948,552)	(1,975,427)	(2,623,905)
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 71,928,977</u>	<u>\$ 76,576,465</u>	<u>\$ 72,964,737</u>
Total Governmental Funds	<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>	<u>\$ 102,185,163</u>	<u>\$ 109,049,115</u>	<u>\$ 105,470,985</u>

### NOTES

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues:</b>										
Taxes	\$ 33,346,229	\$ 31,573,914	\$ 31,839,278	\$ 35,568,965	\$ 36,525,275	\$ 37,984,905	\$ 37,841,772	\$ 37,968,441	\$ 38,021,996	\$ 40,370,706
Licenses and permits	2,171,589	2,235,513	2,191,504	857,746	783,927	1,077,712	926,040	848,971	889,910	1,250,806
Intergovernmental	36,333,283	37,074,560	40,104,059	22,879,021	20,363,265	23,637,097	24,600,285	24,648,602	24,100,384	24,279,397
Charges for services	2,966,563	2,922,091	2,713,766	3,664,906	3,263,308	3,134,717	3,032,948	3,325,985	2,372,064	2,766,369
Fines and forfeitures	1,191,454	1,170,763	1,203,831	1,486,133	1,579,801	1,493,362	1,425,005	1,538,831	1,163,545	931,776
Rental and other fees	-	-	-	-	-	-	-	-	-	-
Interest revenues	863,763	1,286,227	1,973,131	462,117	1,895,678	1,012,185	1,523,845	273,965	298,954	3,748,605
Other revenues	2,284,159	2,434,456	2,374,099	1,521,086	1,610,391	1,049,143	1,694,374	1,269,818	3,179,070	3,657,195
Total revenues	79,157,040	78,697,524	82,399,668	66,439,974	66,021,645	69,389,121	71,044,269	69,874,613	70,025,923	77,004,854
<b>Expenditures:</b>										
Current:										
General government	9,936,581	11,160,607	10,485,134	9,341,745	8,894,145	9,986,311	11,160,530	11,696,791	10,627,987	12,186,679
Judicial	1,056,504	1,007,860	1,100,137	1,104,040	1,161,195	1,133,837	1,144,699	1,147,243	1,205,406	1,156,564
Public safety	30,425,483	31,606,457	32,883,304	31,683,702	33,231,203	33,290,879	32,054,789	32,873,477	33,936,567	34,252,123
Public works	7,068,801	8,614,550	8,780,714	8,501,889	7,917,956	5,168,600	4,485,266	5,986,409	6,155,568	5,422,379
Parks and recreation	5,051,465	5,434,481	5,547,493	4,980,249	4,938,351	5,175,991	7,316,238	6,666,921	6,310,929	7,398,550
Community development	6,996,464	7,335,418	8,237,696	5,407,316	5,956,369	6,107,922	5,025,042	6,795,980	6,216,592	6,213,211
Community service	398,458	396,531	413,150	383,794	433,840	416,319	379,747	493,093	495,647	494,888
Nondepartmental	-	-	-	-	-	-	-	-	-	-
Capital outlay	9,636,181	7,831,838	6,082,301	15,132,363	10,466,590	8,539,367	10,057,359	7,726,815	9,352,345	30,532,235
Debt service:										
Principal	6,205,000	6,433,750	905,409	600,000	585,000	4,391,250	5,640,000	5,215,000	580,000	580,000
Interest and fiscal charges	1,256,775	1,018,321	1,045,416	1,119,453	1,127,246	1,097,687	897,328	764,756	608,804	599,065
Total expenditures	78,031,712	80,839,813	75,480,754	78,254,551	74,711,895	75,308,163	78,160,998	79,366,485	75,489,845	98,835,694
Excess of revenues over (under) expenditures	1,125,328	(2,142,289)	6,918,914	(11,814,577)	(8,690,250)	(5,919,042)	(7,116,729)	(9,491,872)	(5,463,922)	(21,830,840)

(Continued)

# CITY OF ALBANY, GEORGIA

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Other financing sources (uses)</b>										
Transfers in	\$ 8,729,408	\$ 2,840,088	\$ 2,059,524	\$ 32,456,832	\$ 19,936,864	\$ 20,056,046	\$ 24,018,135	\$ 23,912,309	\$ 24,418,484	\$ 27,379,953
Transfers out	(6,348,501)	(3,328,467)	(4,707,660)	(16,539,382)	(5,210,378)	(8,484,926)	(10,410,077)	(11,888,876)	(12,168,702)	(14,703,149)
Investment fees	-	-	-	-	-	-	-	(456)	-	5,316,250
Change in fair market value of investments	-	-	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-	-	-
Issuance of debt	-	295,079	17,625,914	-	-	-	-	-	-	-
Sale of capital assets	546,340	698,447	669,189	38,392	640,296	455,741	100,865	1,177,059	78,092	259,656
Total other financing sources (uses)	2,927,247	505,147	15,646,967	15,955,842	15,366,782	12,026,861	13,708,923	13,200,036	12,327,874	18,252,710
Net change in fund balances	<u>\$ 4,052,575</u>	<u>\$ (1,637,142)</u>	<u>\$ 22,565,881</u>	<u>\$ 4,141,265</u>	<u>\$ 6,676,532</u>	<u>\$ 6,107,819</u>	<u>\$ 6,592,194</u>	<u>\$ 3,708,164</u>	<u>\$ 6,863,952</u>	<u>\$ (3,578,130)</u>
Debt service as a percentage of noncapital expenditures	10.58%	10.16%	2.87%	2.25%	2.35%	7.46%	9.00%	8.09%	1.68%	1.25%

### NOTES

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
2010	\$ 15,324,267	\$ 8,932,040	\$ 1,271,433	\$ 2,290,921	\$ 4,279,238	\$ 1,434,095	\$ 126,622	\$ 33,658,616
2011	13,789,210	8,341,512	1,407,922	2,212,040	4,158,640	1,512,707	151,883	31,573,914
2012	13,932,138	8,874,041	1,445,522	2,318,244	3,645,630	1,421,037	202,666	31,839,278
2013	16,473,385	8,176,320	1,508,950	2,073,111	3,870,670	1,411,557	2,054,972	35,568,965
2014	16,761,694	8,658,079	1,727,832	1,891,363	3,994,353	1,347,638	2,144,316	36,525,275
2015	16,875,088	9,572,282	1,936,155	1,884,155	4,176,385	1,365,006	2,175,834	37,984,905
2016	16,315,585	9,683,370	1,994,981	1,915,178	4,461,781	1,339,383	2,131,493	37,841,771
2017	16,085,220	9,399,871	2,335,898	1,786,847	4,832,976	1,361,278	2,166,352	37,968,442
2018	16,202,551	9,271,522	2,270,461	1,675,797	5,146,339	1,310,153	2,145,175	38,021,998
2019	16,303,721	10,717,485	2,609,321	1,737,194	5,550,079	1,316,709	2,136,197	40,370,706

### NOTES

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

# CITY OF ALBANY, GEORGIA

## 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	
2010	\$ 1,179,054	\$ 3,063,828	\$ 503,796	\$ 1,196,820	\$ 102,145	\$ 1,580,705	\$ 4,001,853	10.78
2011	1,167,412	3,046,663	528,971	1,252,505	197,853	1,498,530	4,022,060	9.16
2012	1,197,135	2,987,528	396,685	1,327,833	106,590	1,487,230	4,063,003	9.16
2013	1,202,887	3,007,218	448,969	1,122,423	133,086	1,518,770	3,796,925	8.66
2014	1,185,778	2,964,445	472,394	1,180,985	133,147	1,525,025	3,812,563	9.99
2015	1,178,638	2,946,595	473,333	1,183,333	133,575	1,518,396	3,795,990	9.99
2016	1,205,452	3,013,630	434,038	1,085,095	114,956	1,524,534	3,811,335	9.85
2017	1,196,942	2,992,355	311,787	779,468	108,671	1,400,058	3,500,145	9.81
2018	1,165,269	2,913,173	331,274	828,185	118,515	1,378,028	3,445,070	9.80
2019	1,153,131	2,882,828	374,461	936,153	261,957	1,265,635	3,164,088	9.80

### SOURCE

Dougherty County Tax Department

### NOTES

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

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

**CITY OF ALBANY, GEORGIA**

**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

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		
2010	9.157	0.000	9.157	11.894	0.000	11.894	18.445	0.000	18.445	0.25	39.746
2011	8.660	0.000	8.660	11.894	0.000	11.894	18.445	0.000	18.445	0.25	39.249
2012	8.660	0.000	8.660	11.894	0.000	11.894	18.445	0.000	18.445	0.25	39.249
2013	8.660	0.000	8.660	11.894	0.000	11.894	18.445	0.000	18.445	0.2	39.199
2014	9.990	0.000	9.990	11.894	0.000	11.894	18.445	0.000	18.445	0.15	40.479
2015	9.990	0.000	9.990	11.894	0.000	11.894	18.445	0.000	18.445	0.10	40.429
2016	9.853	0.000	9.853	12.594	0.000	12.594	18.445	0.000	18.445	0.05	40.942
2017	9.808	0.000	9.808	12.577	0.000	12.577	18.445	0.000	18.445	0.00	40.830
2018	9.804	0.000	9.804	15.644	0.000	15.644	18.433	0.000	18.433	0.00	43.881
2019	9.804	0.000	9.804	15.569	0.000	15.569	18.433	0.000	18.433	0.00	43.806

**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	2009 (2)	2010	2011	2012	2013	2014	2015	2016	2017	2018
Food	\$ 1,351,385 (3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Apparel	310,058 (3)	-	-	-	-	-	-	-	-	-
General	1,082,402 (3)	-	-	-	-	-	-	-	-	-
Automotive	974,961 (3)	-	-	-	-	-	-	-	-	-
Home	345,110 (3)	-	-	-	-	-	-	-	-	-
Lumber	317,181 (3)	-	-	-	-	-	-	-	-	-
Miscellaneous Service	375,623 (3)	-	-	-	-	-	-	-	-	-
Manufacturers	475,704 (3)	-	-	-	-	-	-	-	-	-
Utilities	555,468 (3)	-	-	-	-	-	-	-	-	-
Miscellaneous	452,693 (3)	-	-	-	-	-	-	-	-	-
Accommodations	151,098 (4)	183,530	178,114	175,258	150,647	212,981	252,666	254,119	293,483	278,598
Auto	947,706 (4)	1,532,920	1,532,212	1,584,304	809,709	405,402	457,114	492,916	497,317	477,652
Construction	56,446 (4)	90,776	84,097	81,167	111,938	124,959	124,552	141,705	122,538	195,634
Food/bars	1,789,221 (4)	2,814,970	2,704,550	2,657,049	2,635,805	2,728,280	2,752,437	2,802,077	2,769,641	2,619,736
General Merch	1,535,625 (4)	2,588,585	2,686,581	2,885,661	2,813,640	2,706,866	2,908,392	2,683,989	2,682,038	2,661,464
Home Furnishing	684,002 (4)	1,093,541	945,631	909,372	882,216	905,995	894,054	848,016	974,369	967,545
Manufacturing	255,361 (4)	1,396,801	1,515,298	1,267,861	1,291,861	1,109,267	827,389	765,754	807,956	863,709
Miscellaneous Service	615,245 (4)	1,140,412	1,188,675	1,109,417	1,142,772	1,502,431	2,382,097	2,363,478	1,337,558	2,368,885
Other Retail	1,161,684 (4)	2,238,762	2,478,609	2,428,037	2,496,712	2,536,673	2,341,056	2,352,372	2,364,953	2,443,308
Other Services	205,957 (4)	344,919	527,492	711,202	484,220	480,088	418,623	489,180	504,120	796,376
Utility	857,090 (4)	1,097,536	1,177,576	1,121,740	1,174,936	852,254	347,382	345,023	336,978	348,097
Wholesale	1,060,109 (4)	2,102,658	2,235,969	2,177,739	2,035,087	2,115,907	1,793,744	1,513,759	1,508,541	1,544,592
	<u>\$ 15,560,129</u>	<u>\$ 16,625,410</u>	<u>\$ 17,254,804</u>	<u>\$ 17,108,807</u>	<u>\$ 16,029,543</u>	<u>\$ 15,681,103</u>	<u>\$ 15,499,506</u>	<u>\$ 15,052,388</u>	<u>\$ 14,199,492</u>	<u>\$ 15,565,596</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 TEN YEARS AGO**

Taxpayer	Type of Business	Fiscal Year 2019			Fiscal Year 2010		
		2018 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2009 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Mars Confectionary US LLC	Confectioner	\$ 15,740,482	1	1.00	\$ 14,455,405	5	0.90 %
Georgia Power Co	Utility	11,554,770	2	0.74			
Albany Mall HP LLC	Mall developer	9,560,000	3	0.61	14,893,650	4	0.93
Strategic Equipment Inc	Equipment Wholesaler	7,707,088	4	0.49			
Flint River Albany RE LLC	Warehousing	7,201,080	5	0.46	7,337,519	6	0.46
Yancey Bros Co	Machinery Retailer	5,529,314	6	0.35			
Mediacom	Cable distributor	5,384,111	7	0.34			
Phoebe Putney Health System	Hospital/Medical	5,279,835	8	0.34			
TZADIK Georgia Portfolio LLC	Rental Property	4,644,480	9	0.30			
BellSouth Communications	Telecommunications	4,575,873	10	0.29	19,689,654	2	1.22
MillerCoors (1)	Brewery	-		0.00	53,481,660	1	3.32
Palmyra Medical Center (2)	Hospital	-		0.00	15,610,112	3	0.97
AITel	Communications				7,139,920	7	0.44
Lowe's Home Center	Building Supplies/Retailer				6,560,954	8	0.41
Appliance PP2 FX 4 LTD	Apartments				6,187,778	9	0.38
		<u>\$ 77,177,033</u>		<u>4.93 %</u>	<u>\$ 151,453,231</u>		<u>9.41 %</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

2010 from City of Albany Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010.



**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
2010	\$ 13,540	\$ 13,105	96.79 %	\$ 401	\$ 13,506	99.75 %
2011	12,388	12,168	98.22	186	12,353	99.72
2012	12,428	12,131	97.61	266	12,396	99.75
2013	13,758	13,494	98.08	233	13,727	99.77
2014	13,745	13,480	98.07	221	13,701	99.68
2015	13,834	13,496	97.56	292	13,788	99.67
2016	13,741	13,520	98.39	138	13,658	99.40
2017	13,741	13,520	98.39	122	13,642	99.28
2018	13,740	13,463	97.98	408	13,463	97.98
2019	13,783	13,231	96.00	-	13,231	96.00

**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			
2010	\$ 6,425,330	\$ 10,000,000	\$ 4,625,000	\$ 36,670,000	\$ 10,421	\$ -	\$ -	\$ 57,730,751	3.81%	763.47
2011	605,409	10,000,000	4,325,000	34,145,000	-	-	-	49,075,409	3.48%	633.77
2012	16,585,000	10,000,000	3,981,250	28,575,000	-	-	1,017,111	60,158,361	3.54%	776.90
2013	16,310,000	10,000,000	3,656,250	26,315,000	-	1,682,591	299,150	58,262,991	3.89%	752.45
2014	16,578,912	10,000,000	3,331,250	35,332,348	-	412,137	-	65,654,647	4.24%	861.78
2015	12,276,044	10,000,000	3,000,000	26,880,135	-	-	-	52,156,179	3.18%	688.36
2016	7,119,973	10,000,000	2,325,000	22,401,656	1,412,533	-	-	43,259,162	2.55%	578.00
2017	2,110,000	10,000,000	2,025,000	17,747,464	1,659,427	-	-	33,541,891	2.01%	454.49
2018	1,830,000	10,000,000	1,725,000	12,932,680	1,584,156	-	-	28,071,836	1.69%	383.61
2019	1,550,000	10,000,000	6,741,250	8,263,203	1,507,824	18,300,000	-	46,362,277	2.78%	616.12

### 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
2010	\$ 6,425,330	\$ 6,811	\$ 6,418,519	0.16 %	85
2011	605,409	6,814	598,595	0.01	8
2012	16,585,000	6,814	16,578,186	0.41	214
2013	16,310,000	-	16,310,000	0.43	211
2014	16,578,912	-	16,578,912	0.43	218
2015	12,276,044	-	12,276,044	0.32	162
2016	7,119,973	-	7,119,973	0.19	95
2017	2,110,000	-	2,110,000	0.06	29
2018	1,830,000	-	1,830,000	0.05	25
2019	1,550,000	-	1,550,000	0.05	21

### NOTES

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

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

See the Schedule of Assessed Value and Estimated Value of Taxable Property for property value data.

In fiscal year 2012, the City issued \$13,145,000 of SPLOST bonds, and \$3,440,000 of revenue refunding bonds were issued by ADICA.

# CITY OF ALBANY, GEORGIA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT JUNE 30, 2019

<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	\$ 1,550,000	100 %	\$ 1,550,000
Overlapping, Dougherty County Board of Education	35,900,000	82 %	29,438,000
	<u>\$ 37,450,000</u>		<u>\$ 30,988,000</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)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>LEGAL DEBT MARGIN</b>										
Debt limit	\$ 168,285	\$ 169,638	\$ 159,382	\$ 165,186	\$ 159,382	\$ 165,186	\$ 165,817	\$ 163,949	\$ 149,654	\$ 152,759
Total net debt applicable to limit	6,418	598	16,585	16,310	16,579	12,276	7,120	7,120	1,830	1,550
Legal debt margin	<u>\$ 161,867</u>	<u>\$ 169,040</u>	<u>\$ 142,797</u>	<u>\$ 148,876</u>	<u>\$ 142,803</u>	<u>\$ 152,910</u>	<u>\$ 158,697</u>	<u>\$ 156,829</u>	<u>\$ 147,824</u>	<u>\$ 151,209</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>3.81%</u>	<u>0.35%</u>	<u>10.41%</u>	<u>9.87%</u>	<u>10.40%</u>	<u>7.43%</u>	<u>4.29%</u>	<u>4.34%</u>	<u>1.22%</u>	<u>1.01%</u>
<b>LEGAL DEBT MARGIN CALCULATION</b>										
Assessed value	\$ 1,580,705	\$ 1,498,530	\$ 1,487,230	\$ 1,518,770	\$ 1,525,025	\$ 1,518,396	\$ 1,524,534	\$ 1,400,058	\$ 1,378,028	\$ 1,265,635
Add back exempt property	102,145	197,853	106,590	133,086	133,147	133,575	114,956	108,671	118,515	261,957
Total assessed value	<u>1,682,850</u>	<u>1,696,383</u>	<u>1,593,820</u>	<u>1,651,856</u>	<u>1,658,172</u>	<u>1,651,971</u>	<u>1,639,490</u>	<u>1,508,729</u>	<u>1,496,543</u>	<u>1,527,592</u>
Debt limit (10% of total assessed value)	168,285	169,638	159,382	165,186	165,817	165,197	163,949	150,873	149,654	152,759
Debt applicable to limit										
General obligation bonds	6,425	605	16,585	16,310	16,579	12,276	7,120	2,110	1,830	1,550
Less amount set aside for repayment of general obligation debt	(7)	(7)	-	-	-	-	-	-	-	-
Total net debt applicable to limit	<u>6,418</u>	<u>598</u>	<u>16,585</u>	<u>16,310</u>	<u>16,579</u>	<u>12,276</u>	<u>7,120</u>	<u>2,110</u>	<u>1,830</u>	<u>1,550</u>
Legal debt margin	<u>\$ 161,867</u>	<u>\$ 169,040</u>	<u>\$ 142,797</u>	<u>\$ 148,876</u>	<u>\$ 149,238</u>	<u>\$ 152,921</u>	<u>\$ 156,829</u>	<u>\$ 148,763</u>	<u>\$ 147,824</u>	<u>\$ 151,209</u>

### NOTES

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

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

# CITY OF ALBANY, GEORGIA

## 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	
2010	\$ 14,787,711	\$ 9,597,229	\$ 5,190,482	\$ 2,620,000	\$ 1,581,234	1.24
2011	15,633,183	8,428,403	7,204,780	2,260,000	1,296,950	2.03
2012	15,648,637	8,897,425	6,751,212	2,745,000	1,204,413	1.71
2013	132,612,979	106,301,246	26,311,733	3,970,000	1,045,428	5.25
2014	139,614,025	109,790,886	29,823,139	7,085,000	1,313,021	3.55
2015	24,653,467	16,250,850	8,402,617	4,455,000	1,023,688	1.53
2016	26,051,295	16,718,819	9,332,476	4,635,000	849,507	1.70
2017	27,327,241	19,125,526	8,201,715	4,800,000	656,493	1.50
2018	26,459,201	18,226,472	8,232,729	4,660,000	445,630	1.61
2019	27,989,480	20,733,359	7,256,121	3,780,000	255,625	1.80

### NOTES

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

Water/Sewer Charges and Other includes investment earnings.

Operating expenses do not include depreciation and amortization.

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

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

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Median Age (1)</u>	<u>Education Level in Years of Formal Schooling (1)</u>	<u>School Enrollment (2)</u>	<u>(%) Unemployment Rate (3)</u>
2010	75,616	\$ 1,513,908	\$ 20,021 (1)	31.1	12.5	15,960	9.8
2011	77,434	1,409,531	18,203 (1)	31.4	12.0	15,628	10.8
2012	77,434	1,701,380	21,972 (1)	31.5	12.0	15,765	10.1
2013	77,431	1,499,606	19,367 (1)	31.4	12.6	15,676	10.2
2014	76,185	1,550,060	20,346 (1)	31.1	12.8	15,439	8.4
2015	75,769	1,641,384	21,663 (1)	31.4	12.8	15,157	7.8
2016	74,843	1,694,071	22,635 (1)	31.4	12.7	15,001	6.5
2017	73,801	1,670,486	22,635 (1)	31.4	12.7	14,818	6.1
2018	73,179	1,656,407	22,635 (1)	33.9	12.7	14,479	5.1
2019	75,249	1,669,926	22,192 (1)	35.6	12.8	14,078	4.6

**SOURCES**

- (1) Bureau of Census, Bureau of Economic Analysis - Per Capita from deptofnumbers.com - USA.com for Education Level
- (2) Georgia Department of Education website
- (3) Bureau of Labor Statistics/State of Georgia - Department of Human Resources

**CITY OF ALBANY, GEORGIA**

**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Employer (1)	Fiscal Year 2019			Fiscal Year 2010		
	Employees (1)	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Marine Depot Maintenance Command	3,000	1	4.76 %			0.00 %
Phoebe Putney Health System	3,000	2	4.76	3,804	1	6.20
Dougherty County Board of Education / School System	2,700 *	3	4.29	2,934	3	4.78
Albany State University & Darton College	1,264	4	2.01	550 *	8	0.90
City of Albany	1,168	5	1.85	1,387	5	2.26
Dougherty County	680	6	1.08	669	6	1.09
Wal-Mart, Inc.	650	7	1.03			
Proctor and Gamble	625	8	0.99	1,394	4	2.27
JRN, Inc. (Parent company name for KFC fast food chain)	624	9	0.99			
MillerCoors	586	10	0.93	650 *	7	1.06
USMC Logistic Base (Civilian)				3,081	2	5.02
Teleperformance USA (Formerly CallTech Communications)				474	9	0.77
Palmyra Medical Center				454	10	0.74
Totals	14,297		22.70 %	15,397		25.08 %
Average number of employees (2)	62,990			61,390		

**SOURCES**

(1) Albany Chamber of Commerce / Economic Development Commission

(2) Bureau of Labor Statistics

2010 from City of Albany Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010.

For Fiscal Year 2010, Albany State University (ASU) had not combined with Darton College, therefore number of employees reflected were at ASU only.

For Fiscal Year 2010, MillerCoors was Miller Brewing Company.



# CITY OF ALBANY, GEORGIA

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	152	154	147	147	136	141	165	165	161	157
Judicial	12	12	12	12	12	14	17	17	17	18
Public safety	484	470	479	479	478	480	463	463	463	468
Public works	45	45	45	45	49	80	63	60	60	60
Parks and recreation	63	63	63	63	55	55	52	52	51	49
Community development	12	12	12	12	15	13	12	12	12	14
Sanitary sewer	59	61	60	60	68	61	61	61	61	61
Solid waste	49	49	49	49	45	43	34	34	34	34
Airport	17	17	17	17	15	15	11	11	16	16
Transit	30	30	30	30	32	33	32	32	36	36
Civic Center	17	17	16	16	16	16	13	13	13	0
Auditorium	-	-	-	-	-	-	-	-	-	-
Albany Utility Board	300	295	295	286	251	233	252	252	256	255
	<u>1,240</u>	<u>1,225</u>	<u>1,225</u>	<u>1,216</u>	<u>1,172</u>	<u>1,184</u>	<u>1,175</u>	<u>1,172</u>	<u>1,180</u>	<u>1,168</u>

### SOURCE

City of Albany Finance Department

### NOTE

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

**CITY OF ALBANY, GEORGIA**

**OPERATING INDICATORS BY FUNCTION**

**LAST TEN FISCAL YEARS**

Function	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sanitary sewer										
Average daily treatment (thousands of gallons)	17,477	14,675	14,128	15,799	17,476	16,305	17,300	13,856	13,856	15,884
Airport										
Daily flights	3	3	3	3	3	3	3	3	3	3
Enplaned passengers	33,164	35,218	35,770	34,665	32,305	34,977	35,066	37,757	40,112	41,747
Deplaned passengers	32,668	33,805	34,617	33,682	31,888	34,018	34,040	36,983	39,364	40,919
Based aircraft	39	35	32	30	29	30	32	34	34	32
Police										
Citations issued	N/A	N/A	N/A	10,564	10,827	12,365	18,399	18,969	12,571	11,657
DUI citations issued	N/A	N/A	N/A	138	37	74	119	213	128	108
Warnings issued	N/A	N/A	N/A	2,974	3,121	4,139	10,222	10,376	5,916	8,025
Crime statistics:										
Aggravated assault	465	459	476	532	536	603	555	466	669	653
Auto theft	317	225	240	188	193	168	156	147	187	297
Murder	11	15	7	7	6	13	13	20	17	13
Rape	37	36	28	27	26	28	30	24	28	39
Robbery	230	168	205	193	186	167	207	113	137	140
Burglary	1,663	1,382	1,382	1,252	1,391	1,121	1,070	864	796	771
Theft	3,265	3,002	3,360	3,328	3,005	2,706	2,558	2,090	3,011	2,550
Fire										
Incident responses	3,588	4,017	3,673	3,465	3,392	3,529	3,834	4,704	3,871	5,117
Public Safety Education										
Events	172	228	205	553	161	207	226	191	186	291
Persons contacted	9,441	18,632	37,103	42,019	20,138	20,960	26,400	22,318	16,241	24,054

**SOURCE**

Various City departments.

**CITY OF ALBANY, GEORGIA**

**CAPITAL ASSET STATISTICS BY FUNCTION**

**LAST TEN FISCAL YEARS**

Function	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Fleet size	171	171	171	165	219	211	222	222	247	269
Fire stations	11	11	11	11	11	11	11	11	11	11
Public Works										
Miles of streets	559	559	559	597	597	575	571	571	571	433
Number of street lights	11,247	11,247	11,279	11,285	11,285	11,285	11,295	11,295	11,432	11,989
Culture and Recreation										
Park acreage	400	400	400	400	400	400	400	400	400	400
Parks	75	75	75	75	75	75	75	75	75	75
Golf course	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	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	351	351	351	351	351	351
Miles of storm sewer	400	400	400	400	400	400	400	400	400	400
Number of treatment plants	1	1	1	1	1	1	1	1	1	1

**SOURCE**

Various City departments.

**NOTE**

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

## **SINGLE AUDIT SECTION**

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

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Albany, Georgia (the "City") as of and for the fiscal year ended June 30, 2019, 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, 2019.

**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.

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

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

#### **Compliance and Other Matters**

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

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**Purpose of this Report**

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

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 30, 2019



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

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

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

We have audited the City of Albany, Georgia's (the "City") 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, 2019. The City'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's major federal programs based on our audit of the types of compliance requirements referred to above.



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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'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's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City 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, 2019.

**Report on Internal Control Over Compliance**

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

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In planning and performing our audit of compliance, we considered the City'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'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, 2019

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures	Passed-Through to Subrecipients
<b>U.S. Department of Transportation</b>				
<b>Passed through State of Georgia</b>				
Federal Transit-Urbanized Area Formula Program	20.507	T005830	\$ 13,289	\$ -
Federal Transit-Urbanized Area Formula Program	20.507	T006038	609,655	-
Federal Transit-Urbanized Area Formula Program	20.507	T006494	52,108	-
Federal Transit-Urbanized Area Formula Program	20.507	T006098	549,633	-
Federal Transit-Urbanized Area Formula Program - Capital	20.507	T006098	1,095,785	-
Total Federal Transit Cluster			<u>2,320,470</u>	<u>-</u>
Highway Planning and Construction Cluster	20.205	PL000-0015-00(862)	95,142	
Highway Planning and Construction Cluster	20.205	PL000-0016-00(419)	100,000	
Highway Planning and Construction Cluster	20.205	16086-PLN	3,283	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	GA-2017-035-01	<u>84,810</u>	<u>-</u>
Total U.S. Department of Transportation			<u>2,603,705</u>	<u>-</u>
<b>Federal Aviation Administration</b>				
<b>Direct Awards</b>				
Airport Improvement Program	20.106	3-13-0002-045-2016	37,654	-
Airport Improvement Program	20.106	3-13-0002-046-2017	657,450	-
Airport Improvement Program	20.106	3-13-0002-048-2018	<u>81,223</u>	<u>-</u>
Total Federal Aviation Administration			<u>776,327</u>	<u>-</u>

(Continued)

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures	Passed-Through to Subrecipients
<b>U.S. Department of Housing and Urban Development</b>				
<b>Direct Awards</b>				
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-13-0001	\$ 850,105	\$ 93,510
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-13-0001	19,807	-
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-13-0001	17,971	-
Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-13-0001	31,053	-
Total CDBG - Entitlement Grants Cluster			918,936	93,510
HUD-Home Partnership Investment Title II Program	14.239	M-13-MC-13-0205	41,099	-
HUD-Home Partnership Investment Title II Program	14.239	M-14-MC-13-0205	163,957	-
HUD-Home Partnership Investment Title II Program	14.239	M-15-MC-13-0205	43,620	-
HUD-Home Partnership Investment Title II Program	14.239	M-16-MC-13-0205	16,993	-
HUD-Home Partnership Investment Title II Program	14.239	M-17-MC-13-0205	120,506	-
HUD-Home Partnership Investment Title II Program	14.239	M-18-MC-13-0205	196,354	-
Total HUD-Home Partnership Investment Title II Program			582,529	-
<b>Passed-Through State of Georgia</b>				
Supportive Housing Program	14.235	2018 18E ER 18C088	15,817	-
Supportive Housing Program	14.235	2017 HTF ETA 17C078	9,259	-
Total Supportive Housing Program			25,076	-
Total U.S. Department of Housing and Urban Development			1,526,541	93,510
<b>U.S. Environmental Protection Agency</b>				
<b>Passed-Through Georgia Environmental Finance Authority</b>				
Capitalization Grant for Clean Water State Revolving Fund	66.458	CW2016015	3,113,330	-

(Continued)

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures	Passed-Through to Subrecipients
<b>U.S. Department of Justice</b>				
<b>Direct Awards</b>				
Bullet Proof Vest Partnership Program	16.607	2003-BU-BX-6439	\$ 13,650	\$ -
2015 Justice Assistance Grant	16.738	2015-DJ-BX-0403	2,695	-
2016 Justice Assistance Grant	16.738	2016-DJ-BX-1043	11,785	-
2017 Justice Assistance Grant	16.738	2017-DJ-BX-0403	59,837	
2018 Justice Assistance Grant	16.738	2018-DJ-BX-0882	20,441	-
Total U.S. Department of Justice			108,408	-
<b>U.S. Department of Commerce</b>				
<b>Passed-Through State of Georgia</b>				
Economic Development Cluster - Economic Adjustment Assistance	11.307	N/A	374,352	-
Total U.S. Department of Commerce			374,352	-
<b>U.S. Department of Homeland Security</b>				
<b>Direct Awards</b>				
2017 GEMA Bomb Dog Grant	97.067	EMW-2017-SS-00015-S01	1,775	
2018 GEMA Bomb Dog Grant	97.067	EMW-2018-SS-00067-S01	600	-
Total U.S. Department of Homeland Security			2,375	-
<b>U.S. Environmental Protection Agency</b>				
<b>Direct Awards</b>				
Brownsfield Assessment AND Clean-up Program	66.818	ATLBF EPA	\$ 198,625	\$ -
Total U.S. Environmental Protection Agency			198,625	-
<b>Total Expenditures of Federal Awards</b>			<b>\$ 8,703,663</b>	<b>\$ 93,510</b>

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, 2019

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### NOTE 1. BASIS OF PRESENTATION

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

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

### NOTE 2. MEASUREMENT FOCUS

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

### NOTE 3. DE MINIMIS INDIRECT COST RATE

The City chose not to use the 10% de minimis cost rate for the year ended June 30, 2019.

### 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, 2019, is \$634,126.

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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### SECTION I SUMMARY OF AUDITOR'S RESULTS

#### **Financial Statements**

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

☐ Yes ☒ No

Significant deficiencies identified not considered  
to be material weaknesses?

☐ Yes ☒ None Reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

#### **Federal Awards**

Internal control over major programs:

Material weaknesses identified?

☐ Yes ☒ No

Significant deficiencies identified not considered  
to be material weaknesses?

☐ Yes ☒ None Reported

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

Unmodified



# CITY OF ALBANY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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### SECTION I SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

Any audit findings disclosed that are required to be  
reported in accordance with the Uniform Guidance?

☐ Yes ☒ No

Identification of major program:

CFDA Number

14.218

14.239

66.458

Name of Federal Program or Cluster

CDBG Entitlement Grants Cluster

HOME Partnership Investment – Title II Program

Capitalization Grant for Clean Water State Revolving Fund

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, 2019**

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

None reported

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

None reported

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