# CITY OF ALBANY, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

# CITY OF ALBANY, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

---

### TABLE OF CONTENTS


Page

**INTRODUCTORY SECTION**

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

**FINANCIAL SECTION**

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

# CITY OF ALBANY, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

---

### TABLE OF CONTENTS


Page

FINANCIAL SECTION (CONTINUED)

Statement of Cash Flows – Proprietary Funds ..... 40 - 42

Statement of Fiduciary Net Assets – Pension Fund ..... 43

Statement of Changes in Fiduciary Net Assets – Pension Fund ..... 44

Notes to Financial Statements ..... 45 - 114

Required Supplementary Information

Schedule of Funding Progress - City of Albany Pension Plan ..... 115

Schedule of Funding Progress - City of Albany Other Post-Employment Benefit Plan ..... 115

Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds

Combining Balance Sheet – Nonmajor Governmental Funds ..... 116 and 117

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds ..... 118 and 119

Budgetary Compliance

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Governmental Funds ..... 120 - 123

Nonmajor Enterprise Funds

Combining Statement of Net Assets – Nonmajor Enterprise Funds ..... 124 and 125

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds ..... 126 and 127

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

# CITY OF ALBANY, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

---

### TABLE OF CONTENTS


Page

FINANCIAL SECTION (CONTINUED)
- Combining and Individual Fund Statements and Schedules (Continued)
  - Internal Service Funds
    - Combining Statement of Net Assets – Internal Service Funds ..... 130
    - Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds ..... 131
    - Combining Statement of Cash Flows – Internal Service Funds ..... 132 and 133
  - Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds
    - 2005 Special City Sales Tax ..... 134
    - 2000 Special City Sales Tax ..... 135
    - 1995 Special City Sales Tax ..... 136
    - 1990 Special City Sales Tax ..... 137

STATISTICAL SECTION (UNAUDITED)
- Government-wide information
  - Net Assets by Component ..... 138
  - Changes in Net Assets ..... 139 - 142
  - Governmental Activities Tax Revenues by Source ..... 143
- Fund information
  - Fund Balances of Governmental Funds ..... 144
  - Changes in Fund Balances of Governmental Funds ..... 145 and 146

# CITY OF ALBANY, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

---

### TABLE OF CONTENTS


Page

STATISTICAL SECTION (UNAUDITED) (CONTINUED)

General Governmental Tax Revenues by Source ..... 147
Assessed Value and Estimated Actual Value of Taxable Property ..... 148
Property Tax Rates - Direct and Overlapping Governments ..... 149
Taxable Sales Tax Distribution by Category ..... 150
Principal Property Taxpayers ..... 151
Property Tax Levies and Collections ..... 152
Ratio of Outstanding Debt by Type ..... 153
Ratio of General Bonded Debt Outstanding ..... 154
Direct and Overlapping Governmental Activities Debt ..... 155
Legal Debt Margin ..... 156
Pledged Revenue Coverage ..... 157
Demographic and Economic Statistics ..... 158
Principal Employers ..... 159
Full Time Equivalent City Government Employees by Function ..... 160
Operating Indicators by Function ..... 161
Capital Asset Statistics by Function ..... 162

SINGLE AUDIT SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ..... 163 - 165

# CITY OF ALBANY, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

---

### TABLE OF CONTENTS


Page

**SINGLE AUDIT SECTION (CONTINUED)**

Independent Auditor's Report on Compliance With Requirements That Could Have a Direct And Material Effect on Each Major Program and on Internal Control Over Over Compliance in Accordance with OMB Circular A-133 ..... 166 - 168

Schedule of Expenditures of Federal Awards ..... 169 - 173

Notes to Schedule of Expenditures of Federal Awards ..... 174

Schedule of Findings and Questioned Costs ..... 175 - 183

Summary Schedule of Prior Year Findings ..... 184 - 187

**SUPPLEMENTAL SECTION**

Independent Accountant's Report on Local Assistance Grants ..... 188 and 189

State of Georgia Grant Certification Form ..... 190

# INTRODUCTORY SECTION

# City of Albany

Post Office Box 447

Albany, Georgia
31702-0447


December 21, 2010

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, 2010. 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 disc losures. 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 that absolute, assurance that the financial statements are free of any material misstatements. Therefore, it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds, and all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs.

Mauldin & Jenkins, LLC, Certified Public Accountants, have issued an unqualified opinion on the City of Albany's financial statements for the fiscal year ending June 30, 2010. The independent auditor's report is located at the beginning of the financial section of this report.

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

## PROFILE OF GOVERNMENT

Situated in the Plantation Trace region, Albany is the primary trade center for Southwest Georgia. It is the county seat for Dougherty County, Georgia. Incorporated in 1841, the city lies as the head of the Flint River, 145 miles south of Atlanta and 95 miles north of Tallahassee, Florida. The city was laid out in 1836 by Alexander Shotwell and named for Albany, New York. The City of Albany and Dougherty County enjoy a good working relationship. As of the 2000 Census, the population of Albany was 76,939.

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

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

This report includes all funds and account groups of the primary government (City of Albany), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The Water, Gas and Light Commission of Albany, the Chehaw Park Authority, and the Albany-Dougherty Inner City Authority (ADICA) are independent entities whose financial health and, accordingly, they have been included as part of the City's reporting entity. The City provides a full range of services including police and fire protection; solid waste services; road maintenance, streets, storm and sanitary sewers; and recreational activities and cultural events. In addition to these general governmental activities, the City has a transit system, cemetery, airport, civic center, and golf course.

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[1]Source: Albany Chamber of Commerce www.albanyga.us

## ECONOMIC CONDITION AND OUTLOOK

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

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

Albany will see improvements in its local economy more slowly than other areas of the state. Matters that will compound the local economy's woes are the closing of Cooper Tire plant in 2009, declining retail sales, and a slowly growing population. The Cooper Tire closure caused the loss of approximately 2,400 jobs. Despite this, the City of Albany has managed to maintain a healthy financial position due to our strong fund balance and the amount of cash reserves we accumulated over the past ten years.

The State of Georgia and several local governments have had to eliminate positions during FY 2010 due to continuing budget difficulties. The City of Albany did not eliminate positions nor enact any furloughs in FY 2010. This is due to stringent budget controls and continuous financial monitoring.

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

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[1] Albany Chamber of Commerce, from www.albanyga.com

## FIVE-YEAR STRATEGIC AND FINANCIAL PLAN

In 2005, Albany accepted the challenge of change management. The Mayor and Board of City Commissioners hired a management consulting firm to work with staff to develop a comprehensive Five-Year Strategic and Financial Plan for the City of Albany. The City of Albany has committed itself to continually improving the efficiency and effectiveness of the organization. In an effort to maintain this commitment, the City Manager has agreed to update the City's Five-Year Strategic and Financial Plan periodically. The City's staff will perform this task on a biannual basis.

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

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

Major objectives for these goals have also been developed:

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

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

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

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

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

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

Special Purpose Local Option Sales Tax V - The City of Albany and Dougherty County entered into an intergovernmental sales tax agreement and in November 2004, voters approved the referendum to continue the 1% Special Purpose Local Option Sales Tax (SPLOST). The amount to be collected from the sales and use tax between April 1, 2005 and March 31, 2011 is estimated to be $108 million. Sixty-two percent, or $65.87 million, of those funds is to be used for City administered projects and non-profit organizations. The City of Albany projects to be funded through SPLOST V include: $5.5 million Civic Center debt retirement, $2.56 million Civic Center infrastructure improvements, $1.7 million Airport improvement, $6.8 million upgrade to the 800 MHz radio and tower, $6.81 million for road improvements, $4.65 Public Safety equipment and training facility, $3.14 million for the Recreation Master Plan and facility renovations, $1.75 traffic improvements and GIS aerial photography, and disparity study for $350,000. Also included are projects for community organizations and other capital purchases and improvements: $2 million to the Chehaw Wild Animal Park Authority, $3.5 million for the Thronateeska Heritage Center improvements, $3.57 million to the Albany Civil Rights Museum, and $8.65 for Riverfront Park. Total revenue generated for fiscal year 2010 for SPLOST program was $10.2 million with expenditures totaling $13.6 million. Most projects for this SPLOST series are complete. Therefore, spending should decrease until the end of the SPLOST series. A complete list of the projects and further details regarding the program is available at www.albany.ga.us.

## FINANCIAL INFORMATION

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

## BUDGETARY CONTROL

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

## CASH MANAGEMENT

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

## OTHER INFORMATION

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

## INDEPENDENT AUDIT

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

## AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Albany, Georgia for its comprehensive annual financial reports for eighteen consecutive fiscal years from 1991 to 2009. 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 seventeenth consecutive year. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operating guide, as a financial guide, and as a communication device.

**ACKNOWLEDEMENTS**

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

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

Respectfully submitted,

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

Krista M. Newton
Director of Finance

# 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, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

# CITY OF ALBANY, GEORGIA

## PRINCIPAL OFFICIALS
## JUNE 30, 2010

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## ELECTED

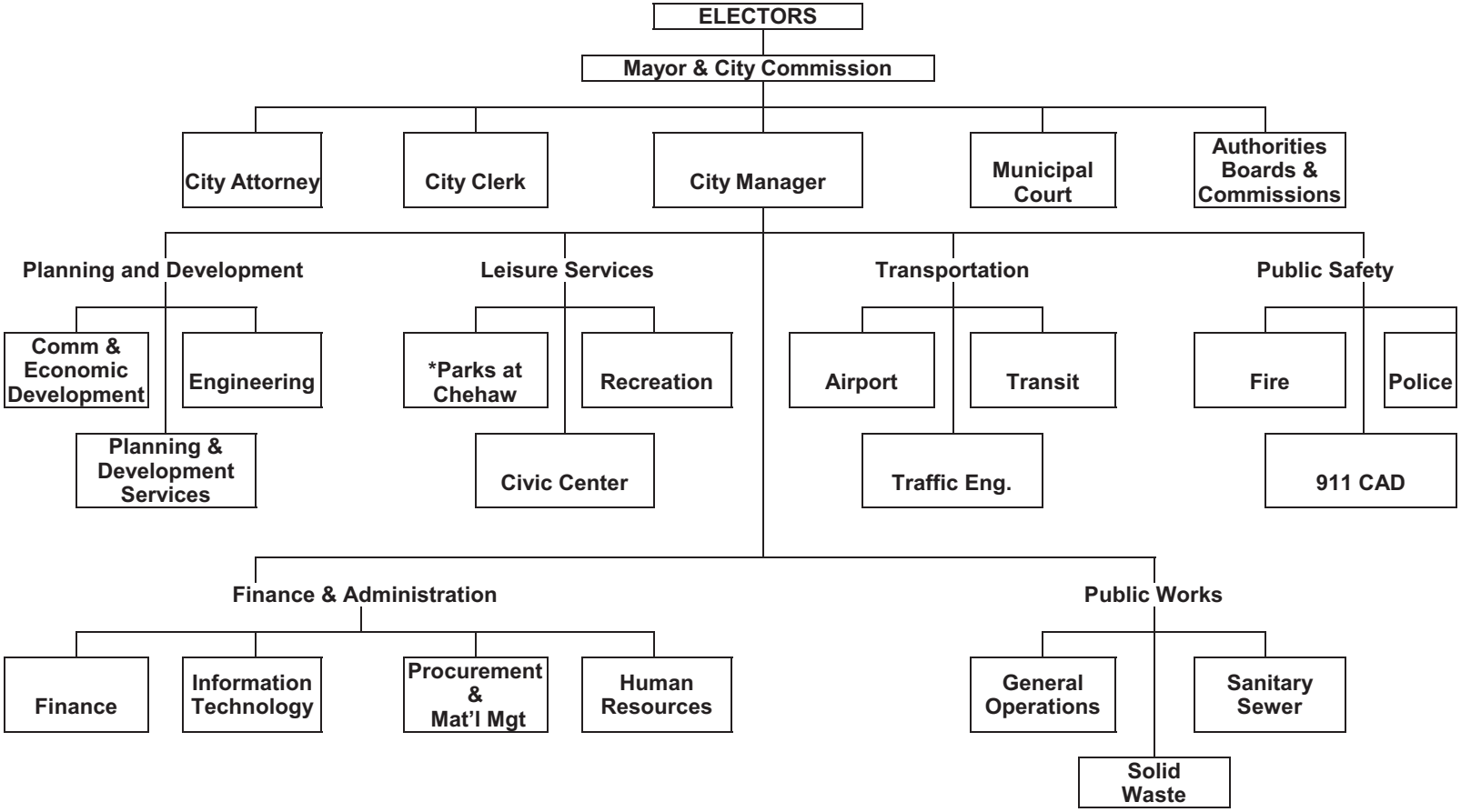
| | | |
|---|---|---|
| **Dr. Willie Adams** | **At Large** | **Mayor** |
| **Jon B. Howard** | **Ward I** | **Commissioner** |
| **Dorothy Hubbard** | **Ward II** | **Commissioner** |
| **Christopher Pike** | **Ward III** | **Mayor Pro Tem/Commissioner** |
| **Roger B. Marietta** | **Ward IV** | **Commissioner** |
| **Robert B. Langstaff, Jr.** | **Ward V** | **Commissioner** |
| **Tommie Postell** | **Ward VI** | **Commissioner** |

## STAFF

| | |
|---|---|
| **Alfred Lott** | **City Manager** |
| **Kris Newton** | **Director of Finance** |

# CITY OF ALBANY, GEORGIA

## ORGANIZATION CHART
## JUNE 30, 2010




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

# FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

# INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Albany, Georgia**, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Albany, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Albany, Georgia as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Community Development Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

439 MULBERRY STREET • POST OFFICE BOX 1877 • MACON, GEORGIA 31202-1877 • 478-464-8000 • FAX 478-464-8051 • www.mjcpa.com
MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2009, on our consideration of the City of Albany, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 21, 2010

# CITY OF ALBANY, GEORGIA
# MANAGEMENT'S DISCUSSION AND ANALYSIS
### For the Fiscal Year Ended June 30, 2010

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

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

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

## FINANCIAL HIGHLIGHTS

Government wide Financial Statements

- At the close of the fiscal year, the assets of the City exceeded its liabilities by $256,259,959. Of this amount, $58,470,432 (22.8%) represents unrestricted net assets and may be used to meet the City's ongoing obligations to citizens and creditors.
- At the close of the current fiscal year, the net assets of the City's *business-type activities* were $108,796,120. This represented a decrease of $741,551 (.67%) over the prior year's net asset balance for business-type activities.
- At the close of the current fiscal year, the net assets of the City's *governmental activities* were $147,463,839. This represented an increase of $12,444,325 (9%) over the prior year's net asset balance for governmental activities.

Fund Financial Statements

- The General Fund, the chief operating fund of the City, had a total fund balance of $24,800,532 as of June 30, 2010. Of this amount, $22,402,480 (90.3%) was unreserved.
- The General Fund had revenues of $55,286,344 for the current fiscal year. Of this amount, $15,317,387 (27.7%) was from property taxes and $8,619,653 (15.6%) was from sales taxes.

Debt Obligations

- Long-term debt obligations from primary governmental activities decreased $5,669,515 (19%) from $29,914,869 at June 30, 2009, to $24,245,354 at June 30, 2010.
- Long-term debt obligations from business type activities decreased $2,484,854 (6.7%) from $37,129,280 at June 30, 2009 to $34,644,426 at June 30, 2010.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

Component units are included in the basic financial statements and consist of legally separate entities for which the City is financially accountable and that have either the same governing board as the City or a governing board appointed by the City of Albany. The City has two discretely presented component units: (1) Chehaw Park Authority and (2) Water, Gas and Light Commission. These units are excluded from any activities or amounts presented in the "Primary Government".

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

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

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

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

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

Other *non-major* governmental funds include: Seven (7) Special Revenue Funds (Hotel/Motel Tax Fund, ARRA Fund, Tax Allocation District Fund, Computer Aided Dispatch, Albany-Dougherty Inner City Authority, Grant Fund, and Gortatowsky Fund); one (1) Debt Service Fund (Debt Service Fund); and one (1) Capital Projects Fund (Public Improvement Fund). Data on these 9 non-major governmental funds is combined into a single, aggregated presentation in the financial statements. Individual fund data for each of these non-major governmental funds is provided in the non-major funds supplementary section of this report.

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

The governmental funds financial statements can be found on pages 27 - 34 of this report.

**Proprietary Funds.** Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for major proprietary funds: the sanitary sewer, solid waste, airport, and public employee deposit funds.

The City maintains six (6) non-major proprietary funds. Three (3) of the non-major proprietary funds are enterprise funds (Transit Fund; Civic Center Fund; and Municipal Auditorium Fund). These three enterprise funds collectively are reflected as "Other Enterprise Funds" on the Proprietary Funds financial statements. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

The remaining three non-major proprietary funds are internal service funds (Self Administered Insurance Fund; Long-term Disability Fund; and Workers' Compensation Fund). These three internal service funds collectively are reflected as "Internal Service Funds" on the Proprietary Funds financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. Individual fund data for both the enterprise funds and the internal service funds is provided in the supplementary information section of this report.

The proprietary funds financial statements can be found at pages 35 - 42 of this report.

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

Details of the City's Pension Fund, a fiduciary fund, can be found on pages 43 and 44 of the report.

**Notes to the Basic Financial Statements.** The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements begin on page 45 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the eighth year that the City of Albany has presented its financial statements under the new reporting model required by GASB Statement No. 34. This reporting model changed significantly both the recording and presentation of financial data. However, under this statement, the City is not required to restate prior periods for the purposes of providing comparative information. A comparative analysis of government-wide information for fiscal years ending June 30, 2009 and June 30, 2010, are included in the MD&A.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $256,259,959 as of June 30, 2010.

As shown on Table 1, the largest portion of the City's net assets, $178.9 million (69.8%), reflects its investment in capital assets less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities. An additional portion of the City's net assets, $18.9 million (7.4%), represents resources that are subject to external restrictions on how they may be used. The major restrictions on net assets are funding source restrictions. The remaining balance of total net assets of $58.5 million (22.8%) 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, 2010, the City reported positive balances in all three categories of net assets, both for the City as a whole as well as for its separate governmental and business-type activities.

**TABLE 1**

## City of Albany
## Statement of Net Assets - Primary Government

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | FY2010 | FY2009 | FY2010 | FY2009 | FY2010 | FY2009 |
| Current and Other Assets | $84,571,512 | $78,777,966 | $22,291,542 | $26,926,710 | $106,863,054 | $105,704,676 |
| Capital Assets | 98,820,085 | 96,368,312 | 123,865,865 | 123,385,793 | 222,685,950 | 219,754,105 |
| **TOTAL ASSETS** | 183,391,597 | 175,146,278 | 146,157,407 | 150,312,503 | 329,549,004 | 325,458,781 |
| Current and Other Liabilities | 22,124,747 | 18,816,759 | 5,877,025 | 7,023,991 | 28,001,772 | 25,840,750 |
| Long Term Liabilities | 13,803,011 | 21,310,005 | 31,484,262 | 33,750,841 | 45,287,273 | 55,060,846 |
| **TOTAL LIABILITIES** | 35,927,758 | 40,126,764 | 37,361,287 | 40,774,832 | 73,289,045 | 80,901,596 |
| Net Assets: | | | | | | |
| Invested in capital asset, net of related debt | 88,743,491 | 78,428,752 | 90,125,991 | 87,159,039 | 178,869,482 | 165,587,791 |
| Restricted | 13,177,567 | 16,456,922 | 5,742,478 | 3,009,678 | 18,920,045 | 19,466,600 |
| Unrestricted | 45,542,781 | 40,133,840 | 12,927,651 | 19,368,954 | 58,470,432 | 59,502,794 |
| **TOTAL NET ASSETS** | $147,463,839 | $135,019,514 | $108,796,120 | $109,537,671 | $256,259,959 | $244,557,185 |

In Table 1 (a), the 2010 Statement of Net Assets is compared to the results for the prior fiscal year. Note that the relationship between the Statement of Net Assets and the Statement of Activities is such that the increase in net assets from one year to the next on Table 1(a) is equal to the change in net assets at the bottom of Table 2. In Table 2(a), the 2009 and 2010 Statement of Activities for the primary government is compared. Revenues increased by $7.9 million from 2009 to 2010, the total expenditures for the same periods decreased by $2.7 million.

**TABLE 1 (a)**

**City of Albany**

**Comparison of Net Assets for Primary Government**

**Fiscal Years 2009 and 2010**

| | Total Primary Government FY 2010 | Total Primary Government FY 2009 | Increase (Decrease) |
|---|---|---|---|
| Current and Other Assets | $106,863,054 | $105,704,676 | $1,158,378 |
| Capital Assets | 222,685,950 | 219,754,105 | 2,931,845 |
| **TOTAL ASSETS** | 329,549,004 | 325,458,781 | 4,090,223 |
| Current and Other Liabilities | 28,286,126 | 25,840,750 | 2,445,376 |
| Long Term Liabilities | 45,002,919 | 55,060,846 | (10,057,927) |
| **TOTAL LIABILITIES** | 73,059,355 | 80,901,596 | (7,612,551) |
| Net Assets: | | | |
| Invested in capital asset, net of related debt: | 178,869,482 | 165,587,791 | 13,281,691 |
| Restricted | 18,920,045 | 19,466,600 | (546,555) |
| Unrestricted | 58,470,432 | 59,502,794 | (1,032,362) |
| **TOTAL NET ASSETS** | $ 256,489,649 | $ 244,557,185 | $11,932,464 |

**TABLE 2**

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | FY2010 | FY2009 | FY2010 | FY2009 | FY2010 | FY2009 |
| **Revenues:** | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | $ 8,079,075 | $ 6,900,390 | $ 37,434,398 | $ 38,090,115 | $ 45,513,473 | $ 44,990,505 |
| Operating Grants and Contributions | 21,613,472 | 18,090,264 | 1,175,803 | 1,678,305 | 22,789,275 | 19,768,569 |
| Capital Grants and Contributions | 14,719,811 | 2,033,058 | 3,114,877 | 2,872,902 | 17,834,688 | 4,905,960 |
| General Revenues: | | | | | | |
| Property taxes | 15,324,267 | 13,964,606 | | | 15,324,267 | 13,964,606 |
| Sales taxes | 8,932,040 | 18,269,427 | | | 8,932,040 | 18,269,427 |
| Other taxes | 9,402,309 | 9,513,267 | | | 9,402,309 | 9,513,267 |
| Investment income | 874,098 | 1,163,072 | 71,199 | 251,223 | 945,297 | 1,414,295 |
| Gain (loss) on sale or disposal of capital assets | - | | | | - | - |
| Transfers | 46,962 | (2,883,904) | (46,962) | 2,883,904 | - | - |
| **TOTAL REVENUES** | 78,992,034 | 67,050,180 | 41,749,315 | 45,776,449 | 120,741,349 | 112,826,629 |
| Expenses: | | | | | | |
| General government | 10,854,334 | 12,215,564 | | | 10,854,334 | 12,215,564 |
| Judicial | 1,057,836 | 952,323 | | | 1,057,836 | 952,323 |
| Public safety | 31,544,927 | 31,206,297 | | | 31,544,927 | 31,206,297 |
| Public works | 7,393,923 | 7,695,464 | | | 7,393,923 | 7,695,464 |
| Parks and recreation | 6,684,312 | 9,079,385 | | | 6,684,312 | 9,079,385 |
| Community development | 7,447,371 | 5,591,053 | | | 7,447,371 | 5,591,053 |
| Community service | 398,458 | 399,347 | | | 398,458 | 399,347 |
| Interest on long-term debt | 1,166,548 | 1,549,738 | | | 1,166,548 | 1,549,738 |
| Sewer | | | 14,569,098 | 14,402,906 | 14,569,098 | 14,402,906 |
| Solid waste | | | 8,092,385 | 8,499,616 | 8,092,385 | 8,499,616 |
| Airport | | | 2,626,279 | 2,415,280 | 2,626,279 | 2,415,280 |
| Public Employee Deposit | | | 12,036,183 | 13,042,126 | 12,036,183 | 13,042,126 |
| Transit | | | 3,092,032 | 2,902,980 | 3,092,032 | 2,902,980 |
| Civic Center | | | 1,913,705 | 1,603,124 | 1,913,705 | 1,603,124 |
| Municipal Auditorium | | | 161,184 | 192,119 | 161,184 | 192,119 |
| **TOTAL EXPENSES** | 66,547,709 | 68,689,171 | 42,490,866 | 43,058,151 | 109,038,575 | 111,747,322 |
| **CHANGE IN NET ASSETS** | 12,444,325 | (1,638,991) | (741,551) | 2,718,298 | 11,702,774 | 1,079,307 |
| **Net Assets - Beg. Of Year** | 135,019,514 | 136,658,505 | 109,537,671 | 106,819,373 | 244,557,185 | 243,477,878 |
| **Net Assets - End Of Year** | $ 147,463,839 | $ 135,019,514 | $ 108,796,120 | $ 109,537,671 | $ 256,259,959 | $ 244,557,185 |

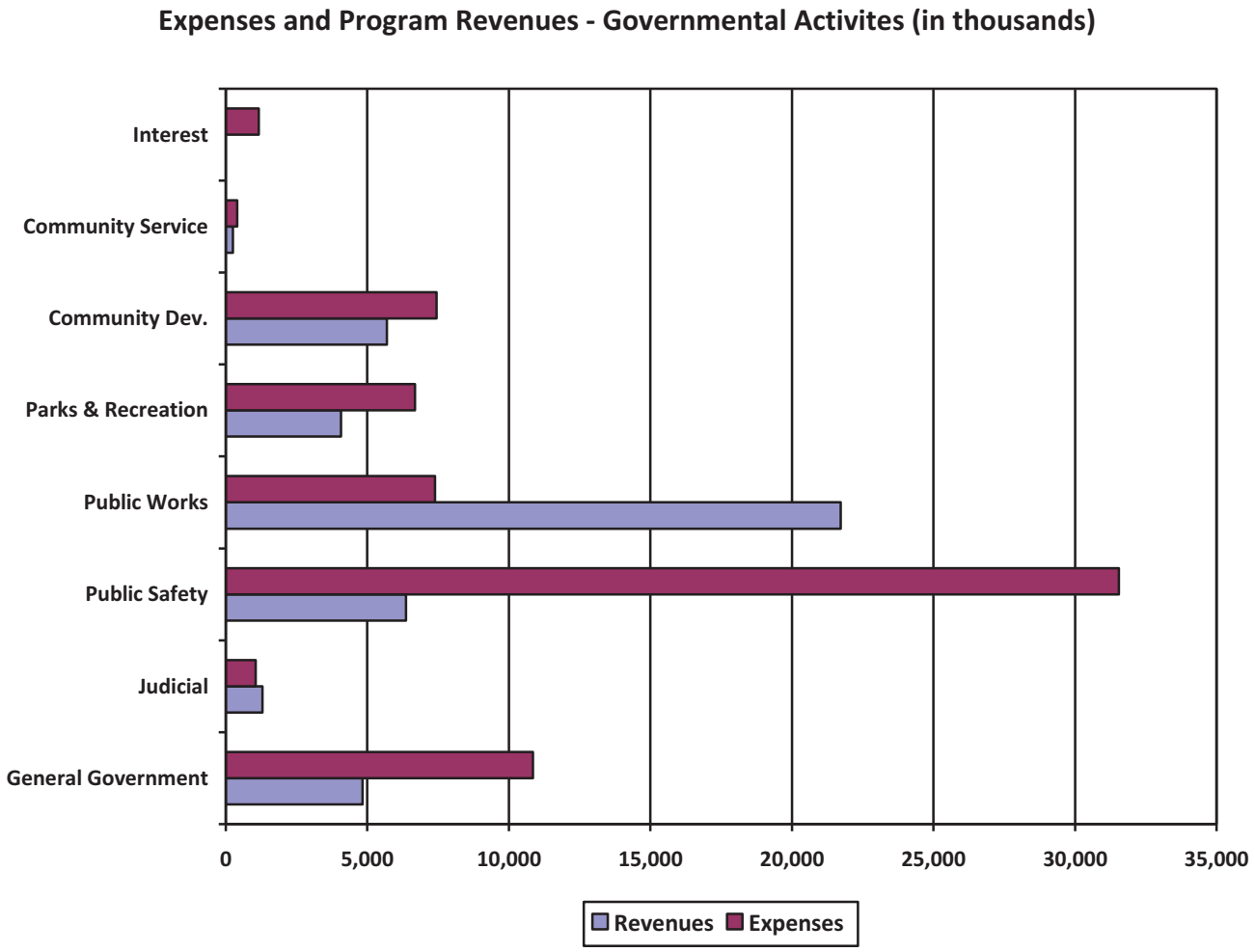
**TABLE 2 (a)**

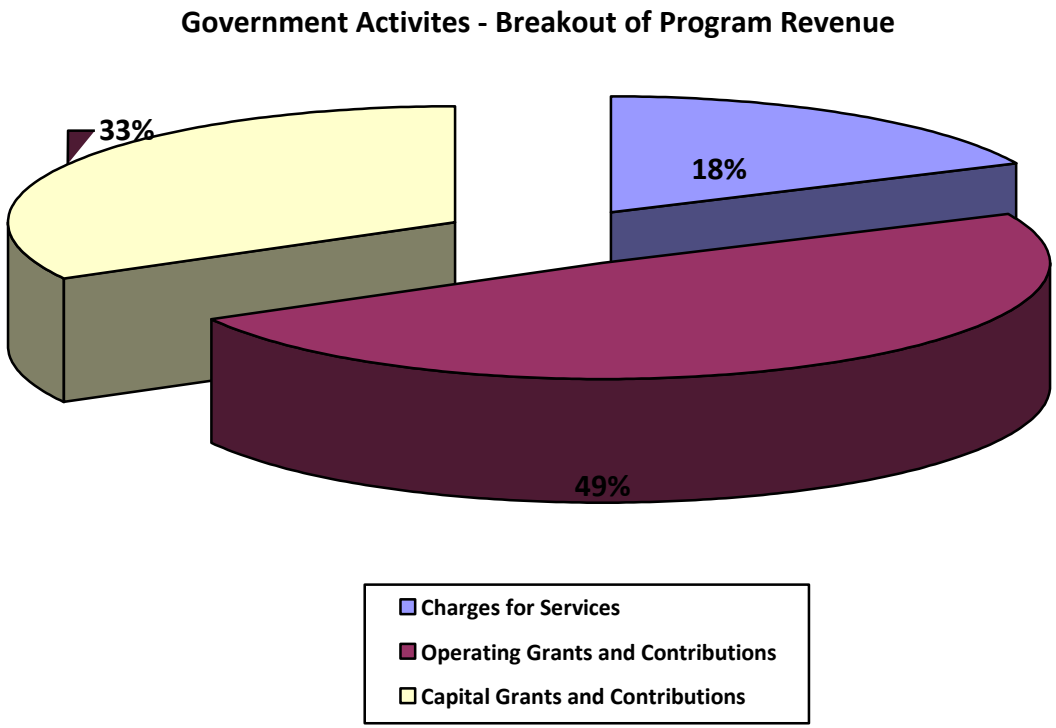
**City of Albany**
**Comparison of Statement of Activities for Primary Government**
**Fiscal Years 2009 and 2010**

| **Revenues:** | **Total Primary Government Activities-2009** | **Total Primary Government Activities-2010** | **Increase (Decrease)** |
|---|---|---|---|
| Program Revenues: | | | |
| Charges for Services | $ 44,990,505 | $ 45,513,473 | $ 522,968 |
| Operating Grants and Contributions | 19,768,569 | 22,789,275 | 3,020,706 |
| Capital Grants and Contributions | 4,905,960 | 17,834,688 | 12,928,728 |
| General Revenues: | | | |
| Property taxes | 13,964,606 | 15,324,267 | 1,359,661 |
| Sales taxes | 18,269,427 | 8,932,040 | (9,337,387) |
| Other taxes | 9,513,267 | 9,402,309 | (110,958) |
| Investment income | 1,414,295 | 945,297 | (468,998) |
| **TOTAL REVENUES** | 112,826,629 | 120,741,349 | 7,914,720 |
| Expenses: | | | |
| General government | 12,215,564 | 10,854,334 | (1,361,230) |
| Judicial | 952,323 | 1,057,836 | 105,513 |
| Public safety | 31,206,297 | 31,544,927 | 338,630 |
| Public works | 7,695,464 | 7,393,923 | (301,541) |
| Parks and recreation | 9,079,385 | 6,684,312 | (2,395,073) |
| Community development | 5,591,053 | 7,447,371 | 1,856,318 |
| Community service | 399,347 | 398,458 | (889) |
| Interest on long-term debt | 1,549,738 | 1,166,548 | (383,190) |
| Sewer | 14,402,906 | 14,569,098 | 166,192 |
| Solid waste | 8,499,616 | 8,092,385 | (407,231) |
| Airport | 2,415,280 | 2,626,279 | 210,999 |
| Public employee deposit | 13,042,126 | 12,036,183 | (1,005,943) |
| Transit | 2,902,980 | 3,092,032 | 189,052 |
| Civic Center | 1,603,124 | 1,913,705 | 310,581 |
| Municipal Auditorium | 192,119 | 161,184 | (30,935) |
| **TOTAL EXPENSES** | 111,747,322 | 109,038,575 | (2,708,747) |
| **CHANGE IN NET ASSETS** | $ 1,079,307 | $ 11,702,774 | $ 10,623,467 |

**Governmental Activities**

Governmental Activities increased the City of Albany's net assets by $12,444,325. Revenues from governmental activities totaled $78,992,034; with sales taxes (11.3%), property taxes (19.4%), operating grants (27.4%), other taxes (11.9%), and charges for services (10.2%) contributing over $63,351,163 of the City's revenues. Expenses for governmental activities were $66,547,709, of which 67% was supported from program revenues and 33% from general revenues. Expenses for Public Safety (47%), General Government (16%), Public Works Admin & Streets (11%) make up 74% of the total expense for governmental activities.



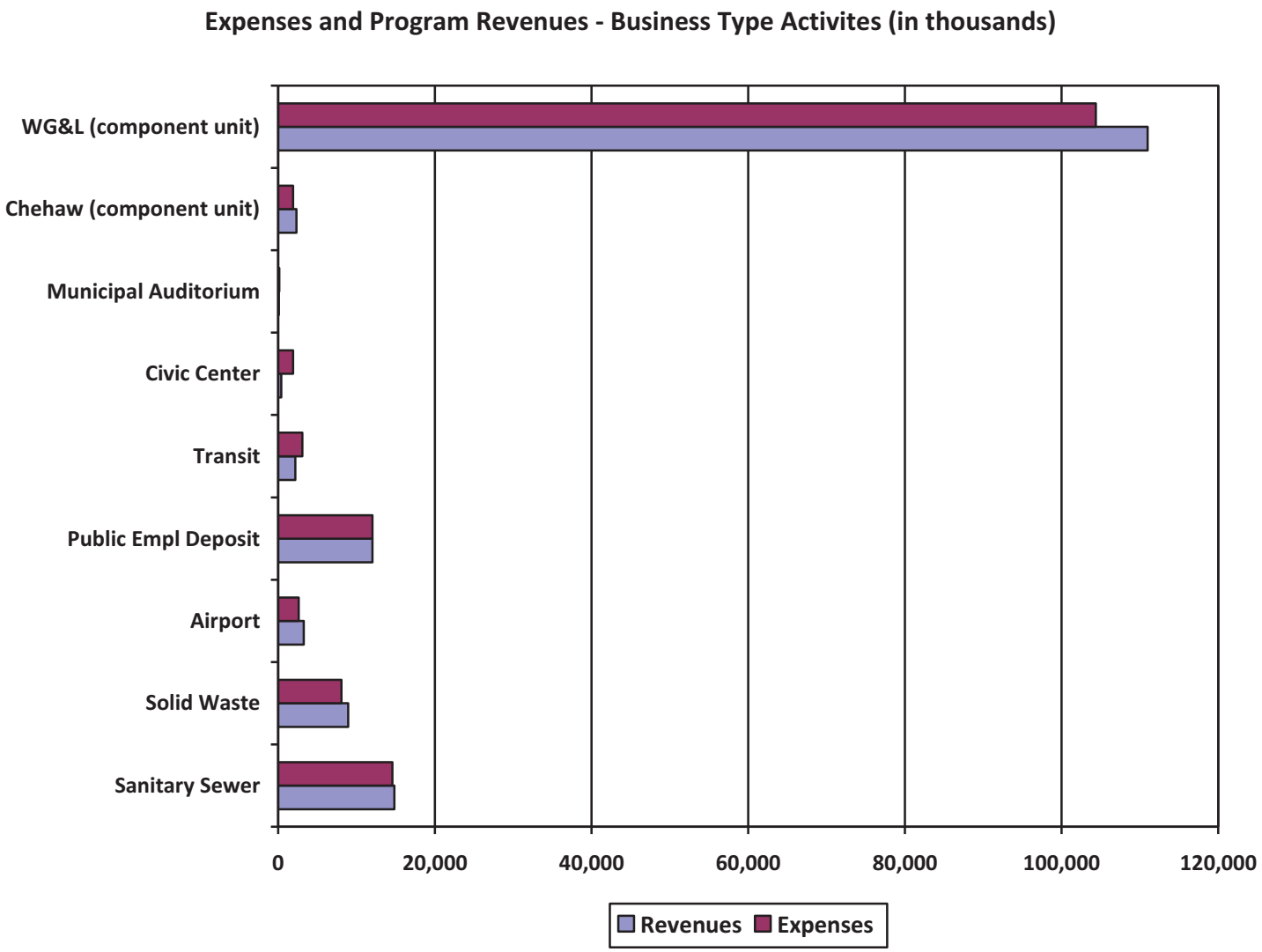


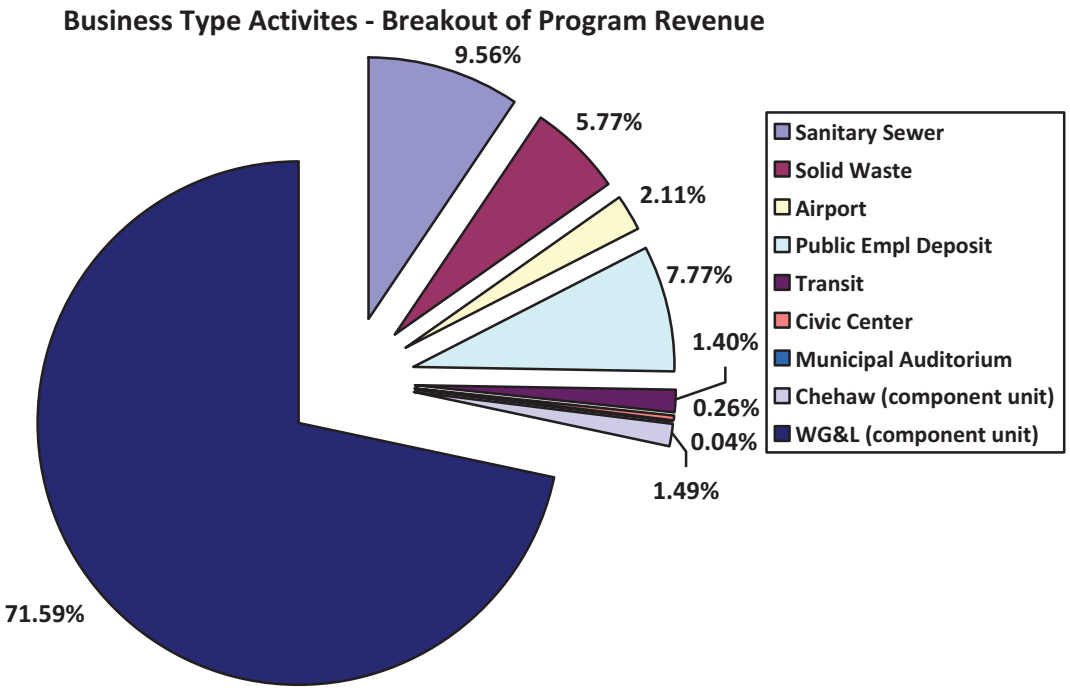

**Business-type Activities**

Business-type activities decreased the City of Albany's net assets by $741,551. As of June 30, 2010, total business-type net assets were $108,796,120 of which $90,125,991 was invested in capital assets; $5,742,478 was restricted; and $12,927,651 was unrestricted.

Revenues totaled $41,749,315 with 99% of revenues coming from Program Revenues and <1% coming from General Revenues. (See chart "Business-Type Activities – Breakout of Program Revenues"). Total expenses were $42,490,866. The largest expenditures were Public Employee Deposit (28%) and Sewer (34%).

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


Expenses and Program Revenues - Business Type Activites (in thousands)
WG&L (component unit)
Chehaw (component unit)
Municipal Auditorium
Civic Center
Transit
Public Empl Deposit
Airport
Solid Waste
Sanitary Sewer
0
20,000
40,000
60,000
80,000
100,000
120,000
Revenues
Expenses




## FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

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

**Governmental Funds**

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

At of the end of the current fiscal year, the City of Albany's governmental funds reported combined ending fund balances of $54,030,450 an increase of $4,152,575 in comparison from the prior year. Ninety-three percent ($50,441,041) constituted unreserved fund balance, which is available for spending at the government's discretion. The remaining seven percent of the fund balance ($3,589,409) is reserved to indicate that it is not available for new spending. This amount has been committed to Inventories ($255,393); Prepaid Items ($32,241); Advances to other funds ($3,248,923); Program expenditures ($46,041); and Debt Service ($6,811).

The General Fund is the chief operating fund of the City. As of June 30, 2010, the *unreserved* fund balance in the general fund was $22,402,480; the total fund balance was $24,800,532 – an increase of $1,877,762 over 2009.

The General Fund's liquidity can be measured by comparing both the *unreserved fund balance* and total fund balance to *total fund expenditures*. Unreserved fund balance represents 44.2% of the total general fund expenditures, while total fund balance represents 48.9% of that same amount. When *transfers out* are added to *expenditures*, the unreserved fund balance represents 40.5% of expenditures plus transfers, while the total fund represents 44.8% of this amount.

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

Transfer in From Other funds ($1,524,617) represents a transfer from the Hotel/Motel Tax Fund and the Debt Service Fund. Transfer in from component units ($7,467,193) represents 7.5% of the actual metered revenue from the previous calendar year for the Water, Gas and Light Commission. This amount is included in intergovernmental revenues. Funding for component units ($1,002,000) represents an agreed payment to Chehaw Park Authority, a separate component unit of the City. The funds are used by Chehaw Park Authority to subsidize the operation of the park. This amount is included as parks and recreation expenditures.

Other transfers out represent General Fund support of the following funds during the fiscal year: Airport Fund ($488,399); Transit Fund ($393,531); Civic Center Fund ($765,871); ADICA ($350,730); Public Improvement Fund ($2,191,305) Self-Insurance Fund ($392,998) and Auditorium Fund ($19,748).

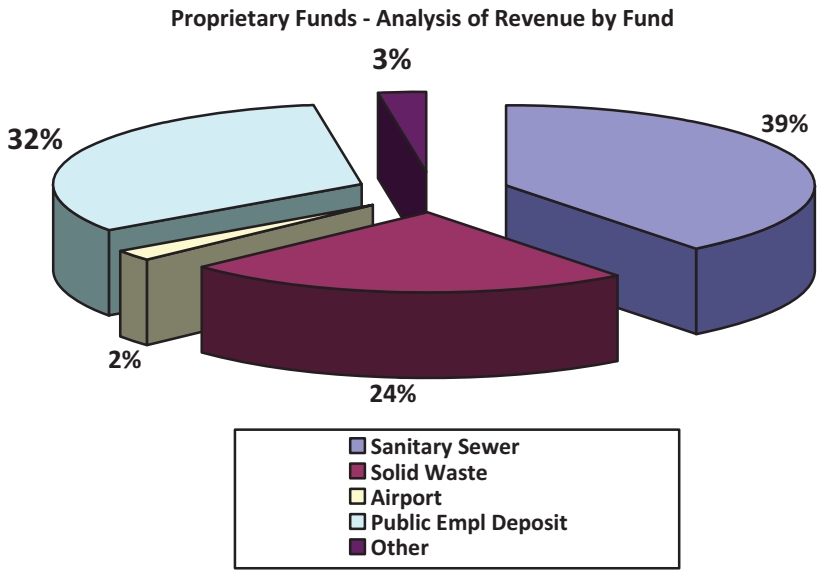
During the fiscal year ended June 30, 2010, the City's General Fund balance increased by $1,877,762. The following contributed to the change:

- Actual revenues surpassed budgeted revenues by $1,677,022;
- Total actual revenues for 2010 exceeded 2009 revenues by $3,911,043;
- Actual expenditures were $2,245,487 under budgeted expenditures.

The primary factors causing General Fund revenues to surpass budget include: Intergovernmental revenues were $1,393,098 over budget; Property taxes were $761,369 over budget as the prior year's contested taxes were paid; and Fines and Forfeitures Revenue were over budget by $275,954. Revenues from Licenses and Permits were under budget by $112,697, Sales Taxes were under $130,347; Charges for Services were under budget by $148,627 and Other Taxes were $170,458 under budget.

**Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. For the fiscal year ended June 30, 2010, the proprietary funds had total operating revenues of $37,434,398. Based on revenues, the largest proprietary fund is the Sanitary Sewer Fund (39%) followed by the Public Employee Deposit Fund (32%). See chart below for an overview of revenue by proprietary fund.



The change in net assets for Proprietary Funds was $(832,229) (representing a .7% decrease from the prior year's adjusted net asset balance of $109,173,480. The $(832,229) net change was the result of the following:

| | | |
|---|---|---|
| Sanitary Sewer Fund | $ | 91,756 |
| Solid Waste Fund | $ | (1,364,146) |
| Airport Fund | $ | 1,135,297 |
| Public Employee Deposit Fund | $ | - |
| Other Enterprise Funds | $ | (695,136) |

The managements of both the Sanitary Sewer Fund and the Solid Waste Fund made the decision to impose lower user fees for 2010 to reduce the impact of the economic downturn on our citizens.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The City's revenues were 3.1% over the budgeted amount. Because of the relatively flat economy, the City was conservative in estimating tax and license revenue. Similarly, the City's expenditures were 4.2% under budget. This was the result of the City aggressively monitoring costs.

TABLE 3

**CITY OF ALBANY, GEORGIA**
**GENERAL FUND**
**Statement of Revenues and Expenditures - Budget and Actual**
**For the Fiscal Year Ended June 30, 2010**

| | General Fund | | | |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance |
| **Revenues:** | | | | |
| Property taxes | $ 14,556,018 | 14,556,018 | 15,317,387 | $ 761,369 |
| Sales taxes | 8,750,000 | 8,750,000 | 8,619,653 | (130,347) |
| Other taxes | 8,301,334 | 8,301,334 | 8,130,876 | (170,458) |
| Licenses and permits | 2,284,286 | 2,284,286 | 2,171,589 | (112,697) |
| Intergovernmental | 16,568,797 | 16,568,797 | 17,961,895 | 1,393,098 |
| Charges for services | 552,738 | 552,738 | 404,111 | (148,627) |
| Fines and forfeitures | 915,500 | 915,500 | 1,191,454 | 275,954 |
| Interest income | 350,000 | 350,000 | 264,771 | (85,229) |
| Other | 1,330,649 | 1,330,649 | 1,224,608 | (106,041) |
| **TOTAL REVENUES** | $ 53,609,322 | $ 53,609,322 | $ 55,286,344 | $ 1,677,022 |
| **Expenditures:** | | | | |
| General government | 9,331,540 | 10,108,630 | 9,936,581 | 172,049 |
| Judicial | 1,097,602 | 1,117,895 | 987,644 | 130,251 |
| Public safety | 30,130,354 | 28,895,494 | 27,334,661 | 1,560,833 |
| Public works | 6,934,538 | 7,291,289 | 7,032,597 | 258,692 |
| Parks and recreation | 5,023,027 | 5,149,774 | 5,026,116 | 123,658 |
| Community svc(Subsidized agencies) | 469,307 | 398,462 | 398,458 | 4 |
| Debt service interest | - | - | - | - |
| **TOTAL EXPENDITURES** | $ 52,986,368 | $ 52,961,544 | $ 50,716,057 | $ 2,245,487 |

## 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, 2010, amounts to $222,685,950, (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 67 – 71 of this report.

**TABLE 4**

**CITY OF ALBANY**
**CAPITAL ASSETS (Net of Depreciation)**
**JUNE 30, 2010**

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Capital assets not being depreciated: | | | |
| Land | $ 17,412,048 | $ 10,764,487 | $ 28,176,535 |
| Construction in Progress | 4,317,222 | 3,910,082 | 8,227,304 |
| **Total assets not depreciated** | 21,729,270 | 14,674,569 | 36,403,839 |
| Capital assets being depreciated: | | | |
| Buildings and improvements | 62,214,160 | 128,049,542 | 190,263,702 |
| Equipment and vehicles | 26,619,015 | 29,282,382 | 55,901,397 |
| Infrastructure | 72,157,709 | 40,726,062 | 112,883,771 |
| **Total assets depreciated** | 160,990,884 | 198,057,986 | 359,048,870 |
| Less accumulated depreciation: | | | |
| Buildings and improvements | 16,017,237 | 40,564,245 | 56,581,482 |
| Equipment and vehicles | 14,799,556 | 17,162,164 | 31,961,720 |
| Infrastructure | 53,083,276 | 31,140,281 | 84,223,557 |
| **Total accumulated depreciation** | 83,900,069 | 88,866,690 | 172,766,759 |
| **Total assets depreciated, net** | 77,090,815 | 109,191,296 | 186,282,111 |
| **Capital assets, net** | $ 98,820,085 | $ 123,865,865 | $ 222,685,950 |

**Long-term Debt.** At the end of the current fiscal year, the City's total long-term debt outstanding is $57 million – a decrease of $10 million over the previous year. Of this amount, $12.4 million is due within one year. General obligation bonds (11%) and Revenue Bonds (59%) make up $40.2 million of the total. The remaining $16.8 million is comprised of notes payable, certificates of participation and compensated absences. Additional information regarding the City's long-term debt can be found in Note 6 pages 72 – 92.

**TABLE 5**

**CITY OF ALBANY LONG TERM DEBT OBLIGATIONS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

| | Balance at June 30, 2010 | Percentage of Total | Due Within One Year |
|---|---|---|---|
| **Governmental Activities** | | | |
| Bonds payable | $ 6,449,604 | 11% | $ 6,115,000 |
| Notes payable | 4,625,000 | 8% | 300,000 |
| Certificates of participation | 8,137,641 | 14% | - |
| Compensated absences | 3,170,750 | 6% | 2,853,675 |
| **Governmental long-term liabilities** | $ 22,382,995 | | $ 9,268,675 |
| **Business-Type Activities** | | | |
| Bonds Payable: | | | |
| Revenue bonds | $ 34,145,000 | | $ 2,620,000 |
| Less deferred amts on refunding | (415,547) | | - |
| Total bonds payable | 33,729,453 | 59% | 2,620,000 |
| Notes payable | 10,421 | 0% | 10,421 |
| Compensated absences | 904,552 | 2% | 529,743 |
| Business-Type long-term liabilities | 34,644,426 | | 3,160,164 |
| **Total primary government liabilities** | $ 57,027,421 | | $ 12,428,839 |

The General Obligation Bonds relate to bonds issued for the Albany-Dougherty Inner City Authority. The Revenue Bonds relate to sewer system revenue bonds issued in 2001 and 2007. The Certificates of Participation represent the City's purchase of equipment and vehicles from the Georgia Municipal Association Pooled Bond Funds. The Notes Payable represents the City's obligations to the Georgia Environmental Facilities Authority for sewer and solid waste system projects, which will be retired in 2011. 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):

| | Moody's | S&P |
|---|---|---|
| General Obligation Bonds (Eames Park) | A-3 | - |
| Sewer Revenue Bonds | Aaa | AAA |
| ADICA Bonds | A-3 | - |
| WG&L (Water Bonds) | A-3 | - |

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

The City is affected by the same economic conditions that influence the State of Georgia and the nation as a whole. Economic conditions were taken into account in developing the City's prior year budget. However, a review of the detailed economic information is useful in assessing specific aspects of the City's economy.

## REQUEST FOR INFORMATION

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

# BASIC FINANCIAL STATEMENTS

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET ASSETS
## JUNE 30, 2010

| | Primary Government | | | Component Units | |
|---|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Chehaw Park Authority | Water, Gas & Light Commission |
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 23,269,575 | $ 15,016,463 | $ 38,286,038 | $ 221,765 | $ 2,583,962 |
| Investments | 26,526,590 | 812,259 | 27,338,849 | - | 4,897,894 |
| Taxes receivable | 10,598 | - | 10,598 | - | - |
| Accounts receivable, net of allowances | 2,769,504 | 387,862 | 3,157,366 | 1,798 | 17,551,183 |
| Notes receivable | 17,783,321 | - | 17,783,321 | - | - |
| Inventories | 255,393 | 89,420 | 344,813 | - | 3,606,064 |
| Internal balances | 7,307,329 | (7,307,329) | - | - | - |
| Due from other governments | 4,904,950 | 884,923 | 5,789,873 | - | - |
| Due from component unit | 1,479,380 | 4,657,378 | 6,136,758 | - | - |
| Due from primary government | - | - | - | 22,335 | - |
| Prepaid expenses | 32,241 | 27,455 | 59,696 | 10,413 | 179,176 |
| Restricted assets: | | | | | |
| Cash | - | 4,561,316 | 4,561,316 | - | 486,337 |
| Investments | - | 2,774,500 | 2,774,500 | - | 7,605,683 |
| Deferred charges | 232,631 | 387,295 | 619,926 | - | 357,106 |
| Other assets | - | - | - | - | 35,133 |
| Capital assets: | | | | | |
| Non-depreciable | 21,729,270 | 14,674,569 | 36,403,839 | 1,973,344 | 1,453,294 |
| Depreciable, net of accumulated depreciation | 77,090,815 | 109,191,296 | 186,282,111 | 6,121,197 | 76,709,177 |
| Total assets | 183,391,597 | 146,157,407 | 329,549,004 | 8,350,852 | 115,465,009 |

**(Continued)**

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET ASSETS
## JUNE 30, 2010

| | Primary Government | | | Component Units | |
|---|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Chehaw Park Authority | Water, Gas & Light Commission |
| **LIABILITIES** | | | | | |
| Accounts payable | $ 4,594,595 | $ 53,106 | $ 4,647,701 | $ 143,845 | $ 6,285,872 |
| Retainage payable | 515,628 | - | 515,628 | - | - |
| Accrued expenses | 2,939,352 | 790,651 | 3,730,003 | 44,419 | 690,332 |
| Claims payable | 2,065,139 | 835,000 | 2,900,139 | - | - |
| Due to primary government | - | - | - | 164,541 | 5,972,217 |
| Due to component unit | 22,335 | - | 22,335 | - | - |
| Unearned revenues | 2,384,419 | 1,038,104 | 3,422,523 | 7,728 | - |
| Payable from restricted assets: | | | | | |
| Advance payments and customer deposits | - | - | - | 20,857 | 1,711,531 |
| Current maturities of long-term debt | - | 2,620,000 | 2,620,000 | - | 6,850,000 |
| Accrued interest payable | - | - | - | - | 70,675 |
| Non-current liabilities: | | | | | |
| Certificates of participation, due in more than one year | 8,137,641 | - | 8,137,641 | - | - |
| Bonds payable, due within one year | 6,449,604 | - | 6,449,604 | - | - |
| Bonds payable, due more than one year | - | 31,109,453 | 31,109,453 | - | 14,245,524 |
| Notes payable, due within one year | 300,000 | 10,421 | 310,421 | - | - |
| Notes payable, due more than one year | 4,325,000 | - | 4,325,000 | - | - |
| Capital leases payable, due within one year | - | - | - | - | 992,392 |
| Capital leases payable, due more than one year | - | - | - | - | 3,946,108 |
| Compensated absences payable, due within one year | 2,853,675 | 814,097 | 3,667,772 | - | 1,705,252 |
| Compensated absences payable, due more than one year | 317,075 | 90,455 | 407,530 | - | 802,471 |
| Other long-term liabilities | 1,023,295 | - | 1,023,295 | - | 1,746,782 |
| Total liabilities | 35,927,758 | 37,361,287 | 73,289,045 | 381,390 | 45,019,156 |

**(Continued)**

# CITY OF ALBANY, GEORGIA

## STATEMENT OF NET ASSETS
## JUNE 30, 2010

| | Primary Government | | | Component Units | |
|---|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Chehaw Park Authority | Water, Gas & Light Commission |
| **NET ASSETS** | | | | | |
| Invested in capital assets, net of related debt | $ 88,743,491 | $ 90,125,991 | $ 178,869,482 | $ 8,094,541 | $ 52,128,447 |
| Restricted for: | | | | | |
| Renewal and replacement | - | 3,074,831 | 3,074,831 | - | - |
| Capital projects | 13,170,756 | - | 13,170,756 | - | - |
| Debt service | 6,811 | 2,667,647 | 2,674,458 | - | 7,774,846 |
| Unrestricted | 45,542,781 | 12,927,651 | 58,470,432 | (125,079) | 10,542,560 |
| Total net assets | $ 147,463,839 | $ 108,796,120 | $ 256,259,959 | $ 7,969,462 | $ 70,445,853 |

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

# CITY OF ALBANY, GEORGIA

## STATEMENT OF ACTIVITIES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | | Program Revenues | | | Net (Expenses) Revenue and Changes in Net Assets | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Primary Government | | | Component Units | |
| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total | Chehaw Park Authority | Water, Gas & Light Commission |
| Primary Government | | | | | | | | | |
| Governmental Activities: | | | | | | | | | |
| General government | $ 10,854,334 | $ 2,415,222 | $ 2,414,716 | $ - | $ (6,024,396) | $ - | $ (6,024,396) | $ - | $ - |
| Judicial | 1,057,836 | 1,297,694 | - | - | 239,858 | - | 239,858 | - | - |
| Public safety | 31,544,927 | 1,731,747 | 4,115,564 | 514,692 | (25,182,924) | - | (25,182,924) | - | - |
| Public works | 7,393,923 | 940,648 | 12,738,664 | 8,046,537 | 14,331,926 | - | 14,331,926 | - | - |
| Parks and recreation | 6,684,312 | 290,619 | 314,048 | 3,645,328 | (2,434,317) | - | (2,434,317) | - | - |
| Community development | 7,447,371 | 1,403,145 | 1,777,247 | 2,513,254 | (1,753,725) | - | (1,753,725) | - | - |
| Community service | 398,458 | - | 253,233 | - | (145,225) | - | (145,225) | - | - |
| Interest on long-term debt | 1,166,548 | - | - | - | (1,166,548) | - | (1,166,548) | - | - |
| Total governmental activities | 66,547,709 | 8,079,075 | 21,613,472 | 14,719,811 | (22,135,351) | - | (22,135,351) | - | - |
| Business-type Activities: | | | | | | | | | |
| Sanitary sewer | 14,569,098 | 14,725,910 | 100,000 | - | - | 256,812 | 256,812 | - | - |
| Solid waste | 8,092,385 | 8,844,741 | 100,000 | - | - | 852,356 | 852,356 | - | - |
| Airport | 2,626,279 | 878,643 | 160,444 | 2,232,138 | - | 644,946 | 644,946 | - | - |
| Public employee deposit | 12,036,183 | 12,042,502 | - | - | - | 6,319 | 6,319 | - | - |
| Transit | 3,092,032 | 476,251 | 815,359 | 882,739 | - | (917,683) | (917,683) | - | - |
| Civic Center | 1,913,705 | 404,489 | - | - | - | (1,509,216) | (1,509,216) | - | - |
| Municipal Auditorium | 161,184 | 61,862 | - | - | - | (99,322) | (99,322) | - | - |
| Total business-type activities | 42,490,866 | 37,434,398 | 1,175,803 | 3,114,877 | - | (765,788) | (765,788) | - | - |
| Total primary government | $ 109,038,575 | $ 45,513,473 | $ 22,789,275 | $ 17,834,688 | $ (22,135,351) | $ (765,788) | $ (22,901,139) | $ - | $ - |
| Component Units: | | | | | | | | | |
| Chehaw Park Authority | $ 1,913,413 | $ 623,222 | $ 1,694,039 | $ - | $ - | $ - | $ - | $ 403,848 | $ - |
| Water, Gas & Light Commission | 104,393,508 | 109,980,150 | - | 1,000,000 | - | - | - | - | 6,586,642 |
| Total component units | $ 106,306,921 | $ 110,603,372 | $ 1,694,039 | $ 1,000,000 | $ - | $ - | $ - | $ 403,848 | $ 6,586,642 |
| | | | General revenues: | | | | | | |
| | | | Property taxes | | $ 15,324,267 | $ - | $ 15,324,267 | $ - | $ - |
| | | | Sales taxes | | 8,932,040 | - | 8,932,040 | - | - |
| | | | Franchise taxes | | 2,290,921 | - | 2,290,921 | - | - |
| | | | Insurance premium tax | | 4,279,238 | - | 4,279,238 | - | - |
| | | | Alcoholic beverage tax | | 1,434,095 | - | 1,434,095 | - | - |
| | | | Hotel/Motel tax | | 1,271,433 | - | 1,271,433 | - | - |
| | | | Other taxes | | 126,622 | - | 126,622 | - | - |
| | | | Investment income | | 874,098 | 71,199 | 945,297 | 92 | 329,650 |
| | | | Gain on sale of assets | | - | - | - | - | 14,377 |
| | | | Transfers | | 46,962 | (46,962) | - | - | - |
| | | | Total general revenues and transfers | | 34,579,676 | 24,237 | 34,603,913 | 92 | 344,027 |
| | | | Change in net assets | | 12,444,325 | (741,551) | 11,702,774 | 403,940 | 6,930,669 |
| | | | Net assets - beginning of year, restated | | 135,019,514 | 109,537,671 | 244,557,185 | 7,565,522 | 63,515,184 |
| | | | Net assets - end of year | | $ 147,463,839 | $ 108,796,120 | $ 256,259,959 | $ 7,969,462 | $ 70,445,853 |

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

# CITY OF ALBANY, GEORGIA
## GOVERNMENTAL FUNDS

## BALANCE SHEET
## JUNE 30, 2010

| ASSETS | General Fund | Community Development Fund | SPLOST Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| Cash and cash equivalents | $ 2,813,343 | $ 3,211,446 | $ 8,992,936 | $ 2,964,067 | $ 17,981,792 |
| Investments | 15,826,349 | - | 4,637,202 | 6,062,937 | 26,526,488 |
| Receivables, net of allowance: | | | | | |
| Taxes | 10,598 | - | - | - | 10,598 |
| Accounts | 1,847,203 | 720 | - | 921,581 | 2,769,504 |
| Notes | - | 17,765,522 | - | 17,799 | 17,783,321 |
| Due from other funds | 7,661,801 | - | - | 3,001,077 | 10,662,878 |
| Due from other governments | 2,145,528 | 368,364 | 1,466,069 | 924,989 | 4,904,950 |
| Due from component units | 1,163,380 | - | - | 316,000 | 1,479,380 |
| Inventories | 255,393 | - | - | - | 255,393 |
| Prepaid items | 32,241 | - | - | - | 32,241 |
| Advance to other funds | 2,110,418 | - | - | 1,138,505 | 3,248,923 |
| Total assets | $ 33,866,254 | $ 21,346,052 | $ 15,096,207 | $ 15,346,955 | $ 85,655,468 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| **LIABILITIES** | | | | | |
| Accounts payable | $ 4,163,887 | $ 421,441 | $ 1,756 | $ 7,511 | $ 4,594,595 |
| Retainage payable | - | - | 515,628 | - | 515,628 |
| Accrued liabilities | 2,620,139 | 160,586 | - | - | 2,780,725 |
| Due to other funds | 1,918,451 | 100,228 | 1,079,296 | 1,656,497 | 4,754,472 |
| Due to component units | - | - | 22,335 | - | 22,335 |
| Deferred revenues | 363,245 | 17,765,522 | 306,436 | 522,060 | 18,957,263 |
| Total liabilities | 9,065,722 | 18,447,777 | 1,925,451 | 2,186,068 | 31,625,018 |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## GOVERNMENTAL FUNDS

## BALANCE SHEET
## JUNE 30, 2010

| FUND BALANCES | General Fund | Community Development Fund | SPLOST Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| Reserved: | | | | | |
| Reserved for inventories | $ 255,393 | $ - | $ - | $ - | $ 255,393 |
| Reserved for prepaid items | 32,241 | - | - | - | 32,241 |
| Reserved for advances to other funds | 2,110,418 | - | - | 1,138,505 | 3,248,923 |
| Reserved for program expenditures | - | - | - | 46,041 | 46,041 |
| Reserved for debt service | - | - | - | 6,811 | 6,811 |
| Unreserved, reported in: | | | | | |
| General fund | 22,402,480 | - | - | - | 22,402,480 |
| Special revenue funds | - | 2,898,275 | - | 2,765,720 | 5,663,995 |
| Capital projects funds | - | - | 13,170,756 | 9,203,810 | 22,374,566 |
| Total fund balances | 24,800,532 | 2,898,275 | 13,170,756 | 13,160,887 | 54,030,450 |
| Total liabilities and fund balances | $ 33,866,254 | $ 21,346,052 | $ 15,096,207 | $ 15,346,955 | |

| | |
|---|---|
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 98,820,085 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | 16,572,844 |
| Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. | 1,372,746 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | (23,332,286) |
| Net assets of governmental activities | $ 147,463,839 |

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

# CITY OF ALBANY, GEORGIA
## GOVERNMENTAL FUNDS

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | General Fund | Community Development Fund | SPLOST Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Property taxes | $ 15,317,387 | $ - | $ - | $ 6,880 | $ 15,324,267 |
| Sales taxes | 8,619,653 | - | - | - | 8,619,653 |
| Other taxes | 8,130,876 | - | - | 1,271,433 | 9,402,309 |
| Licenses and permits | 2,171,589 | - | - | - | 2,171,589 |
| Intergovernmental | 17,961,895 | 2,348,846 | 10,763,310 | 5,259,232 | 36,333,283 |
| Charges for services | 404,111 | 806,734 | - | 1,755,718 | 2,966,563 |
| Fines and forfeitures | 1,191,454 | - | - | - | 1,191,454 |
| Interest income | 264,771 | 2,751 | 43,608 | 552,633 | 863,763 |
| Other | 1,224,608 | 1,054,807 | 3,678 | 1,066 | 2,284,159 |
| Total revenues | 55,286,344 | 4,213,138 | 10,810,596 | 8,846,962 | 79,157,040 |
| **Expenditures:** | | | | | |
| Current: | | | | | |
| General government | 9,936,581 | - | - | - | 9,936,581 |
| Judicial | 987,644 | - | - | 68,860 | 1,056,504 |
| Public safety | 27,334,661 | - | - | 3,090,822 | 30,425,483 |
| Public works | 7,032,597 | - | - | 36,204 | 7,068,801 |
| Parks and recreation | 5,026,116 | - | - | 25,349 | 5,051,465 |
| Community development | - | 4,142,385 | - | 2,854,079 | 6,996,464 |
| Community service | 398,458 | - | - | - | 398,458 |
| Capital outlay | - | - | 7,303,594 | 2,332,587 | 9,636,181 |
| Debt service: | | | | | |
| Principal | - | 300,000 | 5,905,000 | - | 6,205,000 |
| Interest | - | 232,869 | 502,045 | 521,861 | 1,256,775 |
| Bond issuance cost | - | - | - | 210,330 | 210,330 |
| Total expenditures | 50,716,057 | 4,675,254 | 13,710,639 | 9,140,092 | 78,242,042 |
| Excess (deficiency) of revenues over expenditures | 4,570,287 | (462,116) | (2,900,043) | (293,130) | 914,998 |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## GOVERNMENTAL FUNDS

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | General Fund | Community Development Fund | SPLOST Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **Other financing sources (uses):** | | | | | |
| Proceeds from sale of assets | $ 385,440 | $ 160,900 | $ - | $ - | $ 546,340 |
| Issuance of bonds payable | - | - | - | 310,330 | 310,330 |
| Transfers in | 1,524,617 | - | 383,302 | 6,821,489 | 8,729,408 |
| Transfers out | (4,602,582) | - | - | (1,745,919) | (6,348,501) |
| Total other financing sources (uses) | (2,692,525) | 160,900 | 383,302 | 5,385,900 | 3,237,577 |
| Net change in fund balances | 1,877,762 | (301,216) | (2,516,741) | 5,092,770 | 4,152,575 |
| **Fund balances, beginning of year** | 22,922,770 | 3,199,491 | 15,687,497 | 8,068,117 | 49,877,875 |
| **Fund balances, end of year** | $ 24,800,532 | $ 2,898,275 | $ 13,170,756 | $ 13,160,887 | $ 54,030,450 |

**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, 2010

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

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds | $ | 4,152,575 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | | 5,547,886 |
| The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets. | | (3,096,113) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | (222,303) |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | | 6,108,883 |
| 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. | | (711,863) |
| Internal service funds are used by management to charge the costs of insurance to individual funds. | | 261,927 |
| The net revenue of certain activities of internal service funds is reported with governmental activities. | | 403,333 |
| Change in net assets of governmental activities | $ | 12,444,325 |

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

# CITY OF ALBANY, GEORGIA
## GENERAL FUND AND MAJOR SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | General Fund | | | | Community Development Fund | | |
|---|---|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance |
| **Revenues:** | | | | | | | |
| Property taxes | $ 14,556,018 | $ 14,556,018 | $ 15,317,387 | $ 761,369 | $ - | $ - | $ - |
| Sales taxes | 8,750,000 | 8,750,000 | 8,619,653 | (130,347) | - | - | - |
| Other taxes | 8,301,334 | 8,301,334 | 8,130,876 | (170,458) | - | - | - |
| Licenses and permits | 2,284,286 | 2,284,286 | 2,171,589 | (112,697) | - | - | - |
| Intergovernmental | 16,568,797 | 16,568,797 | 17,961,895 | 1,393,098 | 1,812,737 | 2,348,846 | 536,109 |
| Charges for services | 552,738 | 552,738 | 404,111 | (148,627) | 70,680 | 806,734 | 736,054 |
| Fines and forfeitures | 915,500 | 915,500 | 1,191,454 | 275,954 | - | - | - |
| Interest income | 350,000 | 350,000 | 264,771 | (85,229) | - | 2,751 | 2,751 |
| Other | 1,330,649 | 1,330,649 | 1,224,608 | (106,041) | 821,025 | 1,054,807 | 233,782 |
| Total revenues | 53,609,322 | 53,609,322 | 55,286,344 | 1,677,022 | 2,704,442 | 4,213,138 | 1,508,696 |
| **Expenditures:** | | | | | | | |
| Current: | | | | | | | |
| General government: | | | | | | | |
| Legislative | 518,013 | 593,013 | 531,976 | 61,037 | - | - | - |
| Administrative | 1,161,377 | 1,237,533 | 1,054,028 | 183,505 | - | - | - |
| Human resources | 1,831,509 | 2,229,098 | 2,576,376 | (347,278) | - | - | - |
| Procurement and materials mgmt. | 512,380 | 536,525 | 507,350 | 29,175 | - | - | - |
| Printing | 207,794 | 207,794 | 276,175 | (68,381) | - | - | - |
| Materials management | 275,870 | 275,870 | 253,797 | 22,073 | - | - | - |
| Finance | 2,687,644 | 2,782,556 | 2,681,889 | 100,667 | - | - | - |
| Information technology | 1,641,404 | 1,573,701 | 1,409,278 | 164,423 | - | - | - |
| Risk management | 495,549 | 495,549 | 485,534 | 10,015 | - | - | - |
| 311 Customer response management | - | 176,991 | 160,178 | 16,813 | | | |
| Total general government | 9,331,540 | 10,108,630 | 9,936,581 | 172,049 | - | - | - |
| Judicial: | | | | | | | |
| Municipal court | 496,910 | 516,622 | 476,862 | 39,760 | - | - | - |
| City Attorney | 600,692 | 601,273 | 510,782 | 90,491 | - | - | - |
| Total judicial | 1,097,602 | 1,117,895 | 987,644 | 130,251 | - | - | - |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## GENERAL FUND AND MAJOR SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | General Fund | | | | Community Development Fund | | |
|---|---|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance |
| **Expenditures:** | | | | | | | |
| Current: | | | | | | | |
| Public safety: | | | | | | | |
| Police | $ 16,264,697 | $ 14,946,797 | $ 14,030,616 | $ 916,181 | $ - | $ - | $ - |
| Fire | 12,035,331 | 12,086,350 | 11,633,937 | 452,413 | - | - | - |
| Planning and development services | 1,371,668 | 1,405,444 | 1,231,873 | 173,571 | - | - | - |
| Marshal division | 382,958 | 381,203 | 372,885 | 8,318 | - | - | - |
| SWAT Team | 75,700 | 75,700 | 65,350 | 10,350 | - | - | - |
| Total public safety | 30,130,354 | 28,895,494 | 27,334,661 | 1,560,833 | - | - | - |
| Public works: | | | | | | | |
| Administration | 233,408 | 339,488 | 318,725 | 20,763 | - | - | - |
| Engineering | 3,695,751 | 3,734,910 | 3,597,431 | 137,479 | - | - | - |
| Code enforcement | 917,630 | 1,129,142 | 1,103,433 | 25,709 | - | - | - |
| Street maintenance | 2,087,749 | 2,087,749 | 2,013,008 | 74,741 | - | - | - |
| Total public works | 6,934,538 | 7,291,289 | 7,032,597 | 258,692 | - | - | - |
| Parks and recreation: | | | | | | | |
| Administration | 337,842 | 464,589 | 477,446 | (12,857) | - | - | - |
| Parks | 2,791,671 | 2,791,671 | 2,865,425 | (73,754) | - | - | - |
| Park development and management | 1,213,874 | 1,213,874 | 1,006,218 | 207,656 | - | - | - |
| Turner Golf Course | 420,217 | 420,217 | 415,974 | 4,243 | - | - | - |
| Cemetery | 259,423 | 259,423 | 261,053 | (1,630) | - | - | - |
| Total parks and recreation | 5,023,027 | 5,149,774 | 5,026,116 | 123,658 | - | - | - |
| Community development | - | - | - | - | 2,171,573 | 4,142,385 | (1,970,812) |
| Community service, various subsidized agencies | 469,307 | 398,462 | 398,458 | 4 | - | - | - |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## GENERAL FUND AND MAJOR SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | General Fund | | | | Community Development Fund | | |
|---|---|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance |
| **Expenditures:** | | | | | | | |
| Debt service: | | | | | | | |
| Principal | $ - | $ - | $ - | $ - | $ 300,000 | $ 300,000 | $ - |
| Interest | - | - | - | - | 232,869 | 232,869 | - |
| Total expenditures | 52,986,368 | 52,961,544 | 50,716,057 | 2,245,487 | 2,704,442 | 4,675,254 | (1,970,812) |
| Excess (deficiency) of revenues over (under) expenditures | 622,954 | 647,778 | 4,570,287 | 3,922,509 | - | (462,116) | (462,116) |
| **Other financing sources (uses):** | | | | | | | |
| Proceeds from sale of assets | 200,000 | 200,000 | 385,440 | 185,440 | - | 160,900 | 160,900 |
| Transfers in | - | - | 1,524,617 | 1,524,617 | - | - | - |
| Transfers out | (822,954) | (847,778) | (4,602,582) | (3,754,804) | - | - | - |
| Total other financing sources (uses) | (622,954) | (647,778) | (2,692,525) | (2,044,747) | - | 160,900 | 160,900 |
| Net change in fund balances | $ - | $ - | 1,877,762 | $ 1,877,762 | $ - | (301,216) | $ (301,216) |
| **Fund balance, beginning of year** | | | 22,922,770 | | | 3,199,491 | |
| **Fund balance, end of year** | | | $ 24,800,532 | | | $ 2,898,275 | |

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

# CITY OF ALBANY, GEORGIA
## PROPRIETARY FUNDS

## STATEMENT OF NET ASSETS
## JUNE 30, 2010

| ASSETS | Sanitary Sewer Fund | Solid Waste Fund | Airport Fund | Public Employee Deposit Fund | Other Enterprise Funds | Totals | Internal Service Funds |
|---|---|---|---|---|---|---|---|
| **CURRENT ASSETS** | | | | | | | |
| Cash | $ 13,619,963 | $ 26,291 | $ 1,012,844 | $ 292,275 | $ 65,090 | $ 15,016,463 | $ 5,287,783 |
| Restricted cash | 4,561,316 | - | - | - | - | 4,561,316 | - |
| Restricted investments | 2,774,500 | - | - | - | - | 2,774,500 | - |
| Investments | 812,258 | - | - | 1 | - | 812,259 | 102 |
| Accounts receivable, net of allowances | 289,343 | - | 96,308 | - | 2,211 | 387,862 | - |
| Inventories | - | - | - | - | 89,420 | 89,420 | - |
| Prepaid expenses | - | - | 25,200 | 2,255 | - | 27,455 | - |
| Due from other governments | - | - | 369,499 | - | 515,424 | 884,923 | - |
| Due from other funds | - | - | - | 175,467 | - | 175,467 | - |
| Due from component unit | 2,348,399 | 1,943,977 | - | 365,002 | - | 4,657,378 | - |
| Total current assets | 24,405,779 | 1,970,268 | 1,503,851 | 835,000 | 672,145 | 29,387,043 | 5,287,885 |
| **NONCURRENT ASSETS** | | | | | | | |
| Deferred bond issuance, unamortized balance | 387,295 | - | - | - | - | 387,295 | - |
| Capital assets: | | | | | | | |
| Non-depreciable | 5,988,989 | 907,035 | 4,711,159 | - | 3,067,386 | 14,674,569 | - |
| Depreciable, net of accumulated depreciation | 70,558,252 | 2,903,197 | 22,675,224 | - | 13,054,623 | 109,191,296 | - |
| Total noncurrent assets | 76,934,536 | 3,810,232 | 27,386,383 | - | 16,122,009 | 124,253,160 | - |
| Total assets | 101,340,315 | 5,780,500 | 28,890,234 | 835,000 | 16,794,154 | 153,640,203 | 5,287,885 |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## PROPRIETARY FUNDS

## STATEMENT OF NET ASSETS
## JUNE 30, 2010

| LIABILITIES | Sanitary Sewer Fund | Solid Waste Fund | Airport Fund | Public Employee Deposit Fund | Other Enterprise Funds | Totals | Internal Service Funds |
|---|---|---|---|---|---|---|---|
| **CURRENT LIABILITIES** | | | | | | | |
| Payable from current assets: | | | | | | | |
| Accounts payable | $ 1,472 | $ 1,411 | $ - | $ - | $ 50,223 | $ 53,106 | $ - |
| Accrued liabilities | 790,651 | - | - | - | - | 790,651 | - |
| Claims payable | - | - | - | 835,000 | - | 835,000 | 2,065,139 |
| Current portion - notes payable | 10,421 | - | - | - | - | 10,421 | - |
| Current portion - compensated absences | 319,898 | 300,763 | 34,178 | - | 159,258 | 814,097 | - |
| Due to other funds | 3,260,878 | 550,403 | 851,714 | - | 25,747 | 4,688,742 | 1,395,131 |
| Deferred revenues | 26,493 | - | 900,981 | - | 110,630 | 1,038,104 | - |
| | 4,409,813 | 852,577 | 1,786,873 | 835,000 | 345,858 | 8,230,121 | 3,460,270 |
| Payable from restricted assets: | | | | | | | |
| Revenue bonds payable, current | 2,620,000 | - | - | - | - | 2,620,000 | - |
| Total current liabilities | 7,029,813 | 852,577 | 1,786,873 | 835,000 | 345,858 | 10,850,121 | 3,460,270 |
| **NONCURRENT LIABILITIES** | | | | | | | |
| Advance from other funds | 677,795 | 2,571,128 | - | - | - | 3,248,923 | - |
| Revenue bonds payable, net of current portion | 31,109,453 | - | - | - | - | 31,109,453 | - |
| Compensated absences, net of current portion | 35,544 | 33,418 | 3,798 | - | 17,695 | 90,455 | - |
| Total long-term liabilities | 31,822,792 | 2,604,546 | 3,798 | - | 17,695 | 34,448,831 | - |
| Total liabilities | 38,852,605 | 3,457,123 | 1,790,671 | 835,000 | 363,553 | 45,298,952 | 3,460,270 |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## PROPRIETARY FUNDS

## STATEMENT OF NET ASSETS
## JUNE 30, 2010

| | Sanitary Sewer Fund | Solid Waste Fund | Airport Fund | Public Employee Deposit Fund | Other Enterprise Funds | Totals | Internal Service Funds |
|---|---|---|---|---|---|---|---|
| **NET ASSETS** | | | | | | | |
| Invested in capital assets, net of related debt | $ 42,807,367 | $ 3,810,232 | $ 27,386,383 | $ - | $ 16,122,009 | $ 90,125,991 | $ - |
| Restricted for renewal and replacement | 3,074,831 | - | - | - | - | 3,074,831 | - |
| Restricted for debt service | 2,667,647 | - | - | - | - | 2,667,647 | - |
| Unrestricted (deficit) | 13,937,865 | (1,486,855) | (286,820) | - | 308,592 | 12,472,782 | 1,827,615 |
| Total net assets | $ 62,487,710 | $ 2,323,377 | $ 27,099,563 | $ - | $ 16,430,601 | 108,341,251 | $ 1,827,615 |
| | Adjustment to reflect consolidation of internal service fund activities related to enterprise funds | | | | | 454,869 | |
| | Net assets of business type activities | | | | | $ 108,796,120 | |

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

# CITY OF ALBANY, GEORGIA
## PROPRIETARY FUNDS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Sanitary Sewer Fund | Solid Waste Fund | Airport Fund | Public Employee Deposit Fund | Other Enterprise Funds | Totals | Internal Service Funds |
|---|---|---|---|---|---|---|---|
| **Operating revenues:** | | | | | | | |
| Charges for services | $ 14,439,344 | $ 8,844,741 | $ 878,643 | $ 12,042,502 | $ 942,602 | $ 37,147,832 | $ 1,843,548 |
| Other | 286,566 | - | - | - | - | 286,566 | 87,308 |
| Total operating revenues | 14,725,910 | 8,844,741 | 878,643 | 12,042,502 | 942,602 | 37,434,398 | 1,930,856 |
| **Operating expenses:** | | | | | | | |
| Personnel costs | 3,620,605 | 2,107,043 | 886,326 | 25,658 | 2,268,533 | 8,908,165 | - |
| General and administrative | - | 50 | - | 1,112,178 | - | 1,112,228 | 448,482 |
| Supplies | 409,625 | 38,591 | 24,862 | - | 72,106 | 545,184 | - |
| Operating services and charges | 4,284,123 | 4,865,806 | 303,876 | - | 1,439,999 | 10,893,804 | - |
| Maintenance and repairs | 1,282,876 | 680,676 | 158,048 | - | 467,073 | 2,588,673 | - |
| Depreciation and amortization | 3,384,319 | 484,614 | 1,230,689 | - | 937,720 | 6,037,342 | - |
| Claims and damages | - | - | - | 10,904,695 | - | 10,904,695 | 1,129,769 |
| Total operating expenses | 12,981,548 | 8,176,780 | 2,603,801 | 12,042,531 | 5,185,431 | 40,990,091 | 1,578,251 |
| Operating income (loss) | 1,744,362 | 667,961 | (1,725,158) | (29) | (4,242,829) | (3,555,693) | 352,605 |
| **Nonoperating revenues (expenses):** | | | | | | | |
| Interest income | 61,801 | - | 8,300 | 29 | 1,069 | 71,199 | 10,335 |
| Interest expense and fiscal charges | (1,581,822) | - | - | - | - | (1,581,822) | - |
| Intergovernmental - operating grants | 100,000 | 100,000 | 160,444 | - | 815,359 | 1,175,803 | - |
| Intergovernmental - capital grants | - | - | 2,232,138 | - | 882,739 | 3,114,877 | - |
| Gain (loss) on sale of capital assets | (32,931) | 52,658 | (28,826) | - | (532) | (9,631) | - |
| Total nonoperating revenues (expenses) | (1,452,952) | 152,658 | 2,372,056 | 29 | 1,698,635 | 2,770,426 | 10,335 |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## PROPRIETARY FUNDS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Sanitary Sewer Fund | Solid Waste Fund | Airport Fund | Public Employee Deposit Fund | Other Enterprise Funds | Totals | Internal Service Funds |
|---|---|---|---|---|---|---|---|
| Income (loss) before contributions and transfers | $ 291,410 | $ 820,619 | $ 646,898 | $ - | $ (2,544,194) | $ (785,267) | $ 362,940 |
| Capital contributions | 1,872,775 | 22,260 | - | - | 831,908 | 2,726,943 | - |
| **Transfers** | | | | | | | |
| Transfers in | - | - | 488,399 | - | 1,179,150 | 1,667,549 | 392,998 |
| Transfers out | (2,072,429) | (2,207,025) | - | - | (162,000) | (4,441,454) | - |
| Total transfers | (2,072,429) | (2,207,025) | 488,399 | - | 1,017,150 | (2,773,905) | 392,998 |
| Change in net assets | 91,756 | (1,364,146) | 1,135,297 | - | (695,136) | (832,229) | 755,938 |
| **Total net assets, beginning of year** | 62,395,954 | 3,687,523 | 25,964,266 | - | 17,125,737 | | 1,071,677 |
| **Total net assets, end of year** | $ 62,487,710 | $ 2,323,377 | $ 27,099,563 | $ - | $ 16,430,601 | | $ 1,827,615 |

| | |
|---|---|
| Adjustment to reflect consolidation of internal service fund activities related to enterprise funds | 90,678 |
| Change in net assets of business type activities | $ (741,551) |

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

# CITY OF ALBANY, GEORGIA
## PROPRIETARY FUNDS

## STATEMENT OF CASH FLOWS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Sanitary Sewer Fund | Solid Waste Fund | Airport Fund | Public Employee Deposit Fund | Other Enterprise Funds | Totals | Internal Service Funds |
|---|---|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | | | |
| Receipts from customers | $ 15,039,672 | $ 8,844,741 | $ 862,856 | $ 12,410,194 | $ 999,648 | $ 38,157,111 | $ - |
| Receipts from other funds | - | - | - | - | - | - | 1,298,774 |
| Payments to suppliers | (3,815,733) | (6,362,871) | (449,478) | - | (1,837,900) | (12,465,982) | - |
| Payments to employees | (3,654,034) | (2,087,061) | (886,672) | (27,008) | (2,343,379) | (8,998,154) | - |
| Claims paid | - | - | - | (11,326,229) | - | (11,326,229) | (1,436,279) |
| Premiums paid | - | - | - | (1,112,178) | - | (1,112,178) | (428,482) |
| Net cash provided by (used in) operating activities | 7,569,905 | 394,809 | (473,294) | (55,221) | (3,181,631) | 4,254,568 | (565,987) |
| **CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES** | | | | | | | |
| Transfers in | - | - | 488,399 | - | 1,179,150 | 1,667,549 | 392,998 |
| Transfers out | (2,072,429) | (2,207,025) | - | - | (162,000) | (4,441,454) | - |
| Operating grants received | 100,000 | 100,000 | 160,444 | - | 815,359 | 1,175,803 | - |
| Net cash provided by (used in) noncapital financing activities | (1,972,429) | (2,107,025) | 648,843 | - | 1,832,509 | (1,598,102) | 392,998 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | | | | |
| Acquisition and construction of capital assets | (1,444,063) | (19,173) | (2,327,124) | - | - | (3,790,360) | - |
| Principal paid on bonds | (2,525,000) | - | - | - | - | (2,525,000) | - |
| Principal paid on notes and capital leases payable | (41,165) | - | - | - | - | (41,165) | - |
| Interest paid | (1,632,811) | (219) | - | - | - | (1,633,030) | - |
| Advance to other funds | (500,360) | 1,625,164 | (1,074) | - | (5,244) | 1,118,486 | - |
| Capital grants received | - | - | 2,225,787 | - | 882,739 | 3,108,526 | - |
| Proceeds from sale of capital assets | 25,401 | 106,444 | 850 | - | 841 | 133,536 | - |
| Net cash provided by (used in) capital and related financing activities | (6,117,998) | 1,712,216 | (101,561) | - | 878,336 | (3,629,007) | - |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## PROPRIETARY FUNDS

## STATEMENT OF CASH FLOWS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Sanitary Sewer Fund | Solid Waste Fund | Airport Fund | Public Employee Deposit Fund | Other Enterprise Funds | Totals | Internal Service Funds |
|---|---|---|---|---|---|---|---|
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | | |
| Interest on investments | $ 61,801 | $ - | $ 8,300 | $ 29 | $ 1,069 | $ 71,199 | $ 10,335 |
| Net cash provided by investing activities | 61,801 | - | 8,300 | 29 | 1,069 | 71,199 | 10,335 |
| **Increase (decrease) in cash and cash equivalents** | (458,721) | - | 82,288 | (55,192) | (469,717) | (901,342) | (162,654) |
| **Cash and cash equivalents:** | | | | | | | |
| Beginning of year | 22,226,758 | 26,291 | 930,556 | 347,468 | 534,807 | 24,065,880 | 5,450,539 |
| End of year | $ 21,768,037 | $ 26,291 | $ 1,012,844 | $ 292,276 | $ 65,090 | $ 23,164,538 | $ 5,287,885 |
| **Classified as:** | | | | | | | |
| Cash | $ 13,619,963 | $ 26,291 | $ 1,012,844 | $ 292,275 | $ 65,090 | $ 15,016,463 | $ 5,287,783 |
| Investments | 812,258 | - | - | 1 | - | 812,259 | 102 |
| Restricted assets, cash | 4,561,316 | - | - | - | - | 4,561,316 | - |
| Restricted assets, investments | 2,774,500 | - | - | - | - | 2,774,500 | - |
| | $ 21,768,037 | $ 26,291 | $ 1,012,844 | $ 292,276 | $ 65,090 | $ 23,164,538 | $ 5,287,885 |
| **NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES** | | | | | | | |
| Contributions of capital assets from governmental activities | $ 1,872,775 | $ 22,260 | $ - | $ - | $ 831,908 | $ 2,726,943 | $ - |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## PROPRIETARY FUNDS

## STATEMENT OF CASH FLOWS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Sanitary Sewer Fund | Solid Waste Fund | Airport Fund | Public Employee Deposit Fund | Other Enterprise Funds | Totals | Internal Service Funds |
|---|---|---|---|---|---|---|---|
| **RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:** | | | | | | | |
| Operating income (loss) | $ 1,744,362 | $ 667,961 | $ (1,725,158) | $ (29) | $ (4,242,829) | $ (3,555,693) | $ 352,605 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | | | |
| Depreciation and amortization | 3,384,319 | 484,614 | 1,230,689 | - | 937,720 | 6,037,342 | - |
| (increase) decrease in accounts receivable | 313,762 | - | (96,308) | - | 21,410 | 238,864 | - |
| Decrease in inventories | - | - | - | - | 27,983 | 27,983 | - |
| (Increase) decrease in prepaid expenses | - | - | 2,300 | (2,255) | - | 45 | - |
| Decrease in due from other governments | - | - | - | - | 92,900 | 92,900 | - |
| (Increase) decrease in due from other funds | (1,051,042) | - | - | 459,131 | 37,348 | (554,563) | - |
| Increase in due from component unit | (90,794) | (96,252) | - | (89,184) | - | (276,230) | - |
| Decrease in accounts payable and other liabilities | (171,075) | (232,322) | (53,028) | (1,350) | (74,956) | (532,731) | - |
| Decrease in claims payable | - | - | - | (421,534) | - | (421,534) | (337,713) |
| Increase (decrease) in due to other funds | 3,440,373 | (429,192) | 87,690 | - | 20,505 | 3,119,376 | (580,879) |
| Increase (decrease) in deferred revenues | - | - | 80,521 | - | (1,712) | 78,809 | - |
| Net cash provided by (used in) operating activities | $ 7,569,905 | $ 394,809 | $ (473,294) | $ (55,221) | $ (3,181,631) | $ 4,254,568 | $ (565,987) |

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

# CITY OF ALBANY, GEORGIA
## PENSION FUND

## STATEMENT OF FIDUCIARY NET ASSETS
## JUNE 30, 2010

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 3,855,598 |
| Investments at fair value: | |
| Equity securities | 45,617,023 |
| Government securities | 11,715,715 |
| Corporate bonds | 24,665,408 |
| Total investments | 81,998,146 |
| Interest receivable | 208,471 |
| Total assets | 86,062,215 |
| **LIABILITIES** | |
| Accrued expenses | 70 |
| Accounts payable | 1,148,629 |
| Total liabilities | 1,148,699 |
| **NET ASSETS** | |
| Held in trust for pension benefits (A schedule of funding progress is presented on page 113) | $ 84,913,516 |

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

# CITY OF ALBANY, GEORGIA
## PENSION FUND

## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | |
|---|---|
| **ADDITIONS:** | |
| Employer contributions | $ 6,821,278 |
| Investment earnings | |
| Interest and dividends | 2,345,848 |
| Net increase in fair value of investments | 6,684,330 |
| Total investment earnings | 9,030,178 |
| Less investment expense | 600,867 |
| Net investment earnings | 8,429,311 |
| Total additions | 15,250,589 |
| **DEDUCTIONS:** | |
| Benefit payments | 9,777,081 |
| Administrative expense | 51,216 |
| Total deductions | 9,828,297 |
| Change in net assets | 5,422,292 |
| **NET ASSETS, BEGINNING OF YEAR** | 79,491,224 |
| **NET ASSETS, END OF YEAR** | $ 84,913,516 |

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

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### A. The Financial Reporting Entity

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

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

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

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

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

**Blended Component Unit**

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

**Discretely Presented Component Units**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The City reports the following major proprietary funds:

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

The **Solid Waste Fund** accounts for the provisions of solid waste collection and disposal services to the residents of the City.

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

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

The City also reports the following fund types:

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

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

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

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

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

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

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues of the enterprise funds and internal service funds are charges for goods and services provided. Operating expenses of the enterprise funds and internal service funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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

### D. Budgets and Budgetary Accounting

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

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

   The City's Budget Officer can approve budget transfers up to $10,000 without the City Manager's approval, except that no transfers can be made between the salaries budget and the operations budget. Budget transfers in excess of $10,000 must be approved by the City Manager.
6. Annual appropriated budgets are legally adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund, Special Revenue Funds, and Debt Service Funds. Sufficient budgetary control is achieved through restrictions included in the various grant agreements. Annual operating budgets are prepared for each Enterprise and Internal Service Fund for planning, control, cost allocation, and evaluation purposes.

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

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

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

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are re-appropriated in the following year, except for encumbrances in the Capital Projects Funds, which are continuing. Encumbrances do not represent GAAP expenditures. At June 30, 2010, there were no encumbrances outstanding.

In the General Fund, expenditures exceeded budget for human resources by $347,278, printing by $68,381, parks and recreation administration by $12,857, cemetery by $1,630, and parks development management by $73,754 for the fiscal year ended June 30, 2010. In the Community Development Fund, expenditures exceeded budget by $1,970,812 for the fiscal year ended June 30, 2010. In the Hotel/Motel Tax Fund, expenditures exceeded budget by $35,717 for the fiscal year ended June 30, 2010. In the Grant Fund, expenditures exceeded budget by $85,864 for the fiscal year ended June 30, 2010. In the Tax Allocation District Fund expenditures exceeded budget by $134,507 for the fiscal year ended June 30, 2010. In the blended component unit ADICA, expenditures exceeded budget by $307,209 for the fiscal year ended June 30, 2010. In all funds, the overexpenditures were funded by greater than anticipated revenues.

The ARRA Fund reported a deficit fund balance of $3,419 and the Tax Allocation District Fund reported a deficit fund balance of $127,627 at June 30, 2010. The deficits are intended to be eliminated through transfers from the General Fund.

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

### E. Cash and Cash Equivalents

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

### F. Investments

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

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

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

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

### F. Investments (Continued)

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

### G. Inventory

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

### H. Prepaid Items

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

### I. Receivables/Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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

### I. Receivables/Payables (Continued)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

### J. Capital Assets

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

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

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

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the Water, Gas and Light Commission (component unit) is included as part of the capitalized value of assets. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. No interest was capitalized during the fiscal year ended June 30, 2010.

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

### J. Capital Assets (Continued)

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

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

### K. Compensated Absences

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

## 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 assets. Bond premiums and discounts, issuance costs, and gains or losses on debt refundings are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

### M. Fund Equity

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

### N. 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.

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

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $25,194,645 difference are as follows:

| | |
|---|---|
| Notes payable | $ 4,625,000 |
| Bonds payable | 6,425,330 |
| Unamortized bond premium | 24,274 |
| Unamortized bond issuance costs | (232,631) |
| Certificates of participation | 8,137,641 |
| Fair market value interest rate hedge - certificate of participation | 1,862,359 |
| Compensated absences | 3,170,750 |
| Other post-employment benefit obligation | 1,023,295 |
| Accrued interest payable | 158,627 |
| Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities* | $ 25,194,645 |

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this $5,547,886 difference are as follows:

| | |
|---|---|
| Capital outlay | $ 9,381,023 |
| Depreciation expense | (3,833,137) |
| Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities* | $ 5,547,886 |

Another element of that reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets." The details of this $3,096,113 differences are as follows:

| | |
|---|---|
| Transfers of capital assets to business-type activities | $ (2,634,312) |
| Disposals of capital assets | (461,801) |
| Net adjustment to decrease *net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities* | $ (3,096,113) |

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

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

Another element of that reconciliation explains that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $6,108,883 difference are as follows:

| | |
|---|---|
| Issuance of bonds | $ (310,330) |
| Principal repayment - general obligation bonds | 5,905,000 |
| Principal repayment - notes payable | 300,000 |
| Amortization of bond issuance costs | (43,861) |
| Amortization of bond premium | 47,744 |
| Bond issuance cost | 210,330 |
| Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities* | $ 6,108,883 |

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

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

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $711,863 difference are as follows:

| | |
|---|---|
| Compensated absences | $ (272,899) |
| Accrued interest | 86,344 |
| Other post-employment benefit obligation | (525,308) |
| Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities* | $ (711,863) |

## 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.

## NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

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

**Custodial credit risk – deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2010, $6,744,500 of the City deposits were exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

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

## NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2010, the City had the following investments (in thousands):

| | | Investment Maturities (in Years) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Investment Type** | **Fair Value** | **Less than 1** | **1 - 5** | **6 - 10** | **11 - 15** | **16 - 20** | **21 - 25** | **26 - 30** | **Rating** |
| Entity wide: | | | | | | | | | |
| Government securities | $ 21,543 | $ 8,782 | $ 10,122 | $ 899 | $ - | $ - | $ 1,108 | $ 632 | AAA |
| Georgia Fund 1 | 1,680 | 1,680 | - | - | - | - | - | - | AAAm |
| Guaranteed Inv. Contract | 6,063 | - | - | - | - | 6,063 | - | - | AA- |
| Certificates of deposit | 827 | 327 | 500 | | | | | | N/A |
| | 30,113 | 10,789 | 10,622 | 899 | - | 6,063 | 1,108 | 632 | |
| Pension Trust Fund: | | | | | | | | | |
| Government securities | $ 11,716 | $ 269 | $ 6,421 | $ 3,775 | $ 828 | $ - | $ 423 | $ - | AAA |
| Common stock | 45,617 | N/A | - | - | - | - | - | - | N/A |
| Corporate bonds | - | - | - | - | - | - | - | - | AA+ |
| Corporate bonds | 191 | - | 191 | - | - | - | - | - | AA |
| Corporate bonds | 1,306 | - | 1,306 | - | - | - | - | - | AA- |
| Corporate bonds | 1,859 | - | 1,048 | - | 811 | - | - | - | A+ |
| Corporate bonds | 2,327 | - | 1,809 | - | - | 518 | - | - | A |
| Corporate bonds | 3,110 | - | 1,590 | - | 518 | 1,002 | - | - | A- |
| Corporate bonds | 2,759 | - | 641 | 468 | 1,083 | - | - | 567 | BBB+ |
| Corporate bonds | 781 | - | 263 | - | - | - | - | 518 | BBB |
| Corporate bonds | 1,324 | - | 257 | - | 494 | 573 | - | - | BBB- |
| Corporate bonds | 1,016 | - | 230 | - | 270 | - | - | 516 | BB+ |
| Corporate bonds | 1,319 | - | - | - | 250 | - | - | 1,069 | BB |
| Corporate bonds | 1,213 | - | 1,090 | - | - | 123 | - | - | BB- |
| Corporate bonds | 2,273 | - | 1,698 | - | - | 575 | - | - | B+ |
| Corporate bonds | 1,281 | - | 1,281 | - | - | - | - | - | B |
| Corporate bonds | 3,906 | - | 2,359 | - | - | 1,299 | - | 248 | N/A |
| Total fair value | 81,998 | 269 | 20,184 | 4,243 | 4,254 | 4,090 | 423 | 2,918 | |
| | $ 112,111 | $ 11,058 | $ 30,806 | $ 5,142 | $ 4,254 | $ 10,153 | $ 1,531 | $ 3,550 | |

## NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2010, the Water, Gas and Light Commission (component unit) had the following investments:

| Investments | Maturities | Fair Value |
|---|---|---|
| U.S. Government Securities | 5 month weighted average | $ 6,000,011 |
| Agency Securities | 7 month weighted average | 840,893 |
| Corporate Bonds | 5 month weighted average | 267,793 |
| Certificates of Deposit | 16 month weighted average | 5,394,880 |
| | | $ 12,503,577 |

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

## NOTE 4. RECEIVABLES

### Property Taxes

Property taxes were levied on July 21, 2009, on the January 1, 2009 assessed value of all real and personal property including mobile homes and motor vehicles located within the City. Tax bills were mailed on September 16, 2009, and payable before December 20, 2009. The lien date for unpaid taxes was December 21, 2009. After that date, an interest penalty of 18% applies. Property tax revenues are recognized when levied to the extent they result in current receivables.

The City is permitted by the Municipal Finance Law of the state to levy taxes up to $20.00 per $1,000 of assessed valuation for general government services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. A tax rate of 9.16 mills was levied during fiscal year 2010 for the City (mill equals $1 per thousand dollars of assessed value).

## NOTE 4. RECEIVABLES (CONTINUED)

### Property Taxes (Continued)

Gross property taxes receivable at June 30, 2010 are $428,072. An allowance of $417,474 has been established for taxes in dispute and taxes that will not be collected for the year ended June 30, 2010, resulting in a net receivable for property taxes of $10,598.

### Sales Taxes

The City and Dougherty County jointly levy a 1% local option sales tax, of which the proceeds are split, 60% City and 40% Dougherty County. The proceeds are collected by the State of Georgia and remitted to the City. The tax law requires an offsetting reduction in property tax during each subsequent year of assessment equal to the amount of sales tax revenue received in the prior year.

In addition, there is an additional 1% Special Purpose Local Option Sales Tax Program (“SPLOST”) which was passed by referendums in 1989 (SPLOST II), 1994 (SPLOST III), 1999 (SPLOST IV), and 2004 (SPLOST V). The proceeds from these sales tax programs are used to finance various capital projects. These SPLOST programs are administered by Dougherty County. SPLOST taxes receivable at June 30, 2010 are $1,400,987.

## NOTE 4. RECEIVABLES (CONTINUED)

### Accounts Receivable

Accounts receivable of the primary government consisted of the following at June 30, 2010:

| | General Fund | Community Development Fund | Sanitary Sewer Fund | Airport Fund | Nonmajor Governmental Funds | Nonmajor Business-type Funds |
|---|---|---|---|---|---|---|
| Gross receivables | $ 2,918,471 | $ 720 | $ 289,343 | $ 96,308 | $ 961,581 | $ 2,211 |
| Less allowance for doubtful accounts | (1,060,670) | - | - | - | (40,000) | - |
| Net receivables | $ 1,857,801 | $ 720 | $ 289,343 | $ 96,308 | $ 921,581 | $ 2,211 |

The Water, Gas and Light Commission had accounts receivable at June 30, 2010, of $17,551,183, which is net of an allowance for uncollectible accounts of $867,486.

### Notes Receivable

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

## NOTE 5. CAPITAL ASSETS

The City's capital asset activity for the year ended June 30, 2010, was as follows:

**Primary Government:**

| Governmental activities | Balance June 30, 2009 | Additions | Deletions | Transfers | Balance June 30, 2010 |
|---|---|---|---|---|---|
| Capital assets not being depreciated: | | | | | |
| Land | $ 18,130,988 | $ - | $ (56,936) | $ (662,004) | $ 17,412,048 |
| Construction in progress | 1,721,053 | 3,370,028 | (797) | (773,062) | 4,317,222 |
| Total assets not depreciated | 19,852,041 | 3,370,028 | (57,733) | (1,435,066) | 21,729,270 |
| Capital assets being depreciated: | | | | | |
| Buildings and improvements | 61,476,681 | 792,467 | (132,795) | 77,807 | 62,214,160 |
| Equipment and vehicles | 24,727,838 | 2,711,596 | (907,095) | 86,676 | 26,619,015 |
| Infrastructure | 71,050,842 | 2,506,932 | (72,804) | (1,327,261) | 72,157,709 |
| Total assets depreciated | 157,255,361 | 6,010,995 | (1,112,694) | (1,162,778) | 160,990,884 |
| Less accumulated depreciation: | | | | | |
| Buildings and improvements | 14,265,445 | 1,597,306 | (39,492) | 193,978 | 16,017,237 |
| Equipment and vehicles | 14,061,082 | 1,408,803 | (661,797) | (8,532) | 14,799,556 |
| Infrastructure | 52,412,563 | 827,028 | (7,337) | (148,978) | 53,083,276 |
| Total accumulated depreciation | 80,739,090 | 3,833,137 | (708,626) | 36,468 | 83,900,069 |
| Total assets depreciated, net | 76,516,271 | 2,177,858 | (404,068) | (1,199,246) | 77,090,815 |
| Governmental activities assets, net | $ 96,368,312 | $ 5,547,886 | $ (461,801) | $ (2,634,312) | $ 98,820,085 |

## NOTE 5. CAPITAL ASSETS (CONTINUED)

**Primary Government:**

| Business-type activities | Balance June 30, 2009 | Additions | Deletions | Transfers | Balance June 30, 2010 |
|---|---|---|---|---|---|
| Capital assets not being depreciated: | | | | | |
| Land | $ 12,719,132 | $ - | $ - | $ (1,954,645) | $ 10,764,487 |
| Construction in progress | 3,023,020 | 1,664,420 | - | (777,358) | 3,910,082 |
| Total assets not depreciated | 15,742,152 | 1,664,420 | - | (2,732,003) | 14,674,569 |
| Capital assets being depreciated: | | | | | |
| Buildings and improvements | 127,149,237 | - | (2,050) | 902,355 | 128,049,542 |
| Equipment and vehicles | 27,625,821 | 2,218,565 | (920,218) | 358,214 | 29,282,382 |
| Infrastructure | 36,656,784 | - | - | 4,069,278 | 40,726,062 |
| Total assets depreciated | 191,431,842 | 2,218,565 | (922,268) | 5,329,847 | 198,057,986 |
| Less accumulated depreciation: | | | | | |
| Buildings and improvements | 38,735,680 | 1,829,241 | (676) | - | 40,564,245 |
| Equipment and vehicles | 15,835,947 | 2,141,117 | (778,432) | (36,468) | 17,162,164 |
| Infrastructure | 29,216,574 | 1,923,707 | - | - | 31,140,281 |
| Total accumulated depreciation | 83,788,201 | 5,894,065 | (779,108) | (36,468) | 88,866,690 |
| Total assets depreciated, net | 107,643,641 | (3,675,500) | (143,160) | 5,366,315 | 109,191,296 |
| Business-type activities assets, net | $ 123,385,793 | $ (2,011,080) | $ (143,160) | $ 2,634,312 | $ 123,865,865 |

## NOTE 5. CAPITAL ASSETS (CONTINUED)

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

| | | |
|---|---|---|
| Governmental activities: | | |
| General government | $ | 509,820 |
| Judicial | | 7,036 |
| Public safety | | 1,512,878 |
| Public works | | 1,345,714 |
| Culture and recreation | | 223,420 |
| Community development | | 234,269 |
| Total depreciation expense - governmental activities | $ | 3,833,137 |
| Business-type activities: | | |
| Sanitary sewer | $ | 3,241,042 |
| Solid waste | | 484,614 |
| Transit | | 383,148 |
| Civic center | | 425,245 |
| Airport | | 1,230,689 |
| Municipal auditorium | | 129,327 |
| Total depreciation expense - business-type activities | $ | 5,894,065 |

## NOTE 5. CAPITAL ASSETS (CONTINUED)

**Discretely Presented Component Units:**

Activity for Chehaw Park Authority for the fiscal year ended June 30, 2010, was as follows:

| | Balance June 30, 2009 | Additions | Deletions | Balance June 30, 2010 |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 1,283,104 | $ - | $ - | $ 1,283,104 |
| Construction in progress | 104,340 | 681,255 | (95,355) | 690,240 |
| Total assets not depreciated | 1,387,444 | 681,255 | (95,355) | 1,973,344 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 8,622,051 | 95,355 | - | 8,717,406 |
| Equipment and vehicles | 417,867 | 12,531 | - | 430,398 |
| Total assets depreciated | 9,039,918 | 107,886 | - | 9,147,804 |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | 2,487,349 | 228,136 | - | 2,715,485 |
| Equipment and vehicles | 277,494 | 33,628 | - | 311,122 |
| Total accumulated depreciation | 2,764,843 | 261,764 | - | 3,026,607 |
| Total assets depreciated, net | 6,275,075 | (153,878) | - | 6,121,197 |
| Chehaw Park Authority assets, net | $ 7,662,519 | $ 527,377 | $ (95,355) | $ 8,094,541 |

## NOTE 5. CAPITAL ASSETS (CONTINUED)

**Discretely Presented Component Units: Continued**

Activity for the Water, Gas and Light Commission for the fiscal year ended June 30, 2010, was as follows:

| | Balance June 30, 2009 | Additions | Deletions | Balance June 30, 2010 |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 1,453,294 | $ - | $ - | $ 1,453,294 |
| Total assets not depreciated | 1,453,294 | - | - | 1,453,294 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 24,471,717 | 1,592,280 | - | 26,063,997 |
| Equipment | 11,382,766 | 467,515 | - | 11,850,281 |
| Plant facilities | 84,048,129 | 1,339,849 | - | 85,387,978 |
| Total assets depreciated | 119,902,612 | 3,399,644 | - | 123,302,256 |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | 9,760,331 | 2,186,347 | - | 11,946,678 |
| Equipment | 3,867,908 | 475,996 | - | 4,343,904 |
| Plant facilities | 27,366,756 | 2,935,741 | - | 30,302,497 |
| Total accumulated depreciation | 40,994,995 | 5,598,084 | - | 46,593,079 |
| Total assets depreciated, net | 78,907,617 | (2,198,440) | - | 76,709,177 |
| WG&L Commission assets, net | $ 80,360,911 | $ (2,198,440) | $ - | $ 78,162,471 |

## NOTE 6. LONG-TERM DEBT

### A. Primary Government

| | Balance, June 30, 2009 | Additions | Reductions | Balance, June 30, 2010 | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental activities** | | | | | |
| General obligation bonds | $ 12,020,000 | $ 310,330 | $ 5,905,000 | $ 6,425,330 | $ 6,115,000 |
| Add deferred amounts | | | | | |
| Unamortized premium | 72,018 | - | 47,744 | 24,274 | - |
| Total bonds payable | $ 12,092,018 | $ 310,330 | $ 5,952,744 | $ 6,449,604 | $ 6,115,000 |
| Notes payable | 4,925,000 | - | 300,000 | 4,625,000 | 300,000 |
| Certificates of participation | 10,000,000 | - | - | 10,000,000 | - |
| Deferred fair value of interest rate swap | (1,219,098) | (643,261) | - | (1,862,359) | - |
| Total certificates of participation | 8,780,902 | (643,261) | - | 8,137,641 | - |
| Compensated absences | 2,897,851 | 1,521,734 | 1,248,835 | 3,170,750 | 2,853,675 |
| Governmental activity long-term liabilities | $ 28,695,771 | $ 1,188,803 | $ 7,501,579 | $ 22,382,995 | $ 9,268,675 |
| **Business-type activities** | | | | | |
| Revenue bonds | $ 36,670,000 | $ - | $ 2,525,000 | $ 34,145,000 | $ 2,620,000 |
| Add deferred amounts | | | | | |
| Unamortized discount | (494,832) | - | (79,285) | (415,547) | - |
| Total bonds payable | 36,175,168 | - | 2,445,715 | 33,729,453 | 2,620,000 |
| Notes payable | 51,586 | - | 41,165 | 10,421 | 10,421 |
| Compensated absences | 902,526 | 227,639 | 225,613 | 904,552 | 529,743 |
| Business-type activity long-term liabilities | $ 37,129,280 | $ 227,639 | $ 2,712,493 | $ 34,644,426 | $ 3,160,164 |

The beginning balance of governmental activities long-term liabilities has been reduced by $1,219,098 to properly reflect the City's implementation of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* and the recording of the City's interest rate swap agreement..

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

### A. Primary Government (Continued)

The government-wide statement of net assets includes $2,620,000 of the long-term liabilities due within one year for business-type activities in liabilities payable from restricted assets. The remaining amount of $31,109,453 is displayed as noncurrent liabilities, due in more than one year, on that same statement.

For governmental funds, compensated absences are liquidated by the General, Computer Aided Dispatch, Community Development and Grant Funds. For business-type activities, compensated absences are liquidated by the Solid Waste, Transit, Civic Center, Sanitary Sewer, Auditorium and Airport Funds.

#### Governmental Activities Debt

**Notes Payable**

The U.S. Department of Housing and Urban Development has issued to the City, two (2) Section 108 Guaranteed Loans for the purpose of providing subordinated debt financing for the development of the Albany Hilton Garden Inn Hotel and Conference Center. The City's Section 108 Guaranteed Loans outstanding at June 30, 2010, are as follows:

| | Original Amount | Interest Rates | Balance June 30, 2010 |
|---|---|---|---|
| HUD Section 108 Loan, B-02-MC-13-0001 | $ 5,500,000 | 2.00% - 5.00% | $ 3,850,000 |
| HUD Section 108 Loan, B-99-MC-13-0001 | 500,000 | 2.00% - 5.00% | 275,000 |
| Total | | | $ 4,125,000 |

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

### A. Primary Government (Continued)

**Governmental Activities Debt (Continued)**

**Notes Payable (Continued)**

The Albany Dougherty Inner City Authority is the recipient of an Equity Fund Loan from the One Georgia Authority. The amount of this loan is $500,000. This is additional funding for the Albany Hilton Garden Inn and Conference Center Project. The note is to be paid back over a term of 20 years at an interest rate of zero percent. Quarterly payments will begin once the hotel and conference center are generating adequate cash flow to debt service all loans, but not later than five years from the date of the certificate of occupancy. ADICA acts as a pass-through conduit with respect to this One Georgia loan and has received a secured promissory note from Albany Holdings, Inc. in the amount of $500,000 with terms the same as the terms from the One Georgia loan. This loan is not included in the maturity table below as debt service payments have not yet been determined.

Notes payable debt service requirements to maturity, including interest of $1,626,092, are as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2011 | $ 300,000 | $ 219,218 | $ 519,218 |
| 2012 | 300,000 | 204,904 | 504,904 |
| 2013 | 300,000 | 190,023 | 490,023 |
| 2014 | 300,000 | 174,708 | 474,708 |
| 2015 | 300,000 | 159,055 | 459,055 |
| 2016 - 2020 | 1,500,000 | 546,992 | 2,046,992 |
| 2021 - 2024 | 1,125,000 | 131,192 | 1,256,192 |
| | $ 4,125,000 | $ 1,626,092 | $ 5,751,092 |

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

### A. Primary Government (Continued)

**Governmental Activities Debt (Continued)**

**Certificates of Participation**

In June 1998, the Government 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 Government's participation totaling $10,000,000. The lease pool agreement with the Association provides that the City owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City draws from the investment to lease equipment from the Association. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation. Annual debt service requirements are as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2011 | $ - | $ 475,000 | $ 475,000 |
| 2012 | - | 475,000 | 475,000 |
| 2013 | - | 475,000 | 475,000 |
| 2014 | - | 475,000 | 475,000 |
| 2015 | - | 475,000 | 475,000 |
| 2016 - 2020 | - | 2,375,000 | 2,375,000 |
| 2021 - 2025 | - | 2,375,000 | 2,375,000 |
| 2026 - 2028 | 10,000,000 | 1,425,000 | 11,425,000 |
| | $ 10,000,000 | $ 8,550,000 | $ 18,550,000 |

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

### A. Primary Government (Continued)

#### Governmental Activities Debt (Continued)

**Certificates of Participation (Continued)**

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (1) a semiannual (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 semiannual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

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

### A. Primary Government (Continued)

#### Governmental Activities Debt (Continued)

**Certificates of Participation (Continued)**

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At June 30, 2010, the floating rate being paid by the City is 0.56% and the market value of this agreement is $1,862,359, an increase of $643,261 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, 2010 based on the derivative contract. This market value is reported as a component of the certificates of participation in long-term debt in the statement of net assets. 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 assets.

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

### A. Primary Government (Continued)

**Governmental Activities Debt (Continued)**

**General Obligation Bonds**

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

General obligation bonds outstanding at June 30, 2010, are as follows:

| | Interest Rates | Balance June 30, 2010 |
|---|---|---|
| 2002 ADICA Refunding Issue | 3.00% - 4.00% | $ 1,290,000 |
| 2007 ADICA Issue | 4.25% | 4,825,000 |
| 2009 ADICA Issue | 6.75% | 310,330 |
| | | 6,425,330 |
| Add: Unamortized premium | | 24,274 |
| | | $ 6,449,604 |

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

### A. Primary Government (Continued)

#### Governmental Activities Debt (Continued)

**General Obligation Bonds (Continued)**

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

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

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

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

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

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

### A. Primary Government (Continued)

#### Governmental Activities Debt (Continued)

**General Obligation Bonds (Continued)**

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

The bonds are limited obligations of ADICA, payable solely from payments to be made by the City pursuant to an intergovernmental contract between ADICA and the City. The City's obligation under the contract to make payments to ADICA at times and in amounts sufficient to enable ADICA to pay the principal of and interest on the bonds is absolute and unconditional, is secured by a pledge of the City's full faith and credit and taxing powers and will not expire so long as any of the bonds remain outstanding and unpaid. The City intends to make its payments under the contract from its portion of the revenues generated by a one percent special local option sales and use tax (the "SPLOST"); however, the City's portion of the revenues from the SPLOST are not pledged to such payments or to secure the payment of the bonds.

Revenue Bonds, Series 2009, $6,000,000 Principal (ADICA)

During the year ended June 30, 2010, the City issued bonds through the Albany-Dougherty Inner City Authority (ADICA) in an amount authorized up to $6,000,000. The bonds bear interest of 6.75% with final maturity in 2024. Proceeds from the bonds are for the purpose of financing or refinancing, in whole or in part, the cost of acquiring, constructing, developing and equipping various capital outlay projects located within the City of Albany, Georgia,

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

### B. Primary Government (Continued)

#### Governmental Activities Debt (Continued)

**General Obligation Bonds (Continued)**

Revenue Bonds, Series 2009, $6,000,000 Principal (ADICA)

The bonds are limited obligations of ADICA, payable solely from payments to be made by the City pursuant to an intergovernmental contract between ADICA and the City. The City's obligation under the contract to make payments to ADICA at times and in amounts sufficient to enable ADICA to pay the principal of and interest on the bonds is absolute and unconditional, is secured by a pledge of the City's full faith and credit and taxing powers and will not expire so long as any of the bonds remain outstanding and unpaid. The City intends to make its payments under the contract from its portion of the revenues generated by ad valorem property tax; however, the City's portion of the revenue from the ad valorem property tax is not pledged to such payments or to secure the payment of the bonds.

The debt service requirement to maturity below does not include provision for the Revenue Bond, Series 2009, of which $310,330 had been drawn as of June 30, 2010. This obligation is in the drawdown phase as of June 30, 2010, and repayment will be determined when all draws have been made.

General obligation bonds debt service requirements to maturity are as follows at June 30, 2010:

| Fiscal year ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2011 | $ 6,115,000 | $ 256,663 | $ 6,371,663 |
| Add unamortized premium | 24,274 | | |
| | $ 6,139,274 | | |

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

### A. Primary Government (Continued)

**Business-type Activities Debt**

**Revenue Bonds**

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

Revenue bonds outstanding at June 30, 2010, are as follows:

| | Interest Rates | Balance June 30, 2010 |
|---|---|---|
| 2001 Sewerage System Revenue Bonds | 4.125% - 5.00% | $ 10,270,000 |
| 2007 Sewerage System Revenue Bonds | 4.00% - 5.00% | 23,875,000 |
| | | 34,145,000 |
| Less: Unamortized discount | | (415,547) |
| | | $ 33,729,453 |

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

### A. Primary Government (Continued)

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

**Revenue Bonds (Continued)**

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

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

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

Interest expense related to the Series 2001 Bonds for the year ended June 30, 2010, was $486,884. All interest incurred was expensed.

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

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

The difference between the requisition price and the net carrying amount of the old debt amounted to $641,133.

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

### A. Primary Government (Continued)

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

**Revenue Bonds (Continued)**

In accordance with GASB No. 23 “Accounting and Financial Refundings of Debt Reported by Proprietary Activities”, the advance refunding charge was deferred and is being amortized over the shorter life of the new debt as a component of interest expense. At June 30, 2010, the unamortized balance was $415,547.

Interest expense related to the Series 2007 Bonds for the year ended June 30, 2010, was $1,094,350. All interest incurred was expensed.

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

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2011 | $ 2,620,000 | $ 1,528,391 | $ 4,148,391 |
| 2012 | 2,725,000 | 1,420,280 | 4,145,280 |
| 2013 | 2,830,000 | 1,307,121 | 4,137,121 |
| 2014 | 2,940,000 | 1,177,406 | 4,117,406 |
| 2015 | 3,080,000 | 1,029,991 | 4,109,991 |
| 2016 - 2020 | 16,970,000 | 2,836,513 | 19,806,513 |
| 2021 - 2023 | 2,980,000 | 228,500 | 3,208,500 |
| | 34,145,000 | $ 9,528,202 | $ 43,673,202 |
| Less unamortized discount | (415,547) | | |
| | $ 33,729,453 | | |

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

### A. Primary Government (Continued)

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

**Notes Payable**

The City has also incurred debt to the Georgia Environmental Facilities Authority (GEFA) for various sewerage system projects. This note is as follows at June 30, 2010:

| | Original Amount | Outstanding at June 30, 2010 |
|---|---|---|
| Note payable, instalments of $10,473, including interest at 2.0% | $ 689,107 | $ 10,421 |

GEFA notes payable debt service requirements to maturity, including interest of $52, are as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2011 | $ 10,421 | $ 52 | $ 10,473 |

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

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

Long-term liability activity for the Water, Gas and Light Commission (component unit) for the year ended June 30, 2010, was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Revenue bonds | $ 22,085,000 | $ 8,440,000 | (9,635,000) | $ 20,890,000 | $ 6,850,000 |
| Plus unamortized premiums | 37,780 | 178,300 | (10,556) | 205,524 | - |
| Revenue bonds, net | 22,122,780 | 8,618,300 | (9,645,556) | 21,095,524 | 6,850,000 |
| Capital lease payable | 5,997,597 | - | (1,059,097) | 4,938,500 | 992,392 |
| Compensated absences | 2,476,912 | 1,181,294 | (1,150,483) | 2,507,723 | 1,705,252 |
| Total long-term liabilities | $ 30,597,289 | $ 9,799,594 | (11,855,136) | $ 28,541,747 | $ 9,547,644 |

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

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

**Revenue Bonds**

Revenue bonds of the Water, Gas and Light Commission (the "Commission") outstanding at June 30, 2010, are as follows:

| | Interest Rates | Balance June 30, 2010 |
|---|---|---|
| 2000 Water Revenue Bonds | 4.45%-6.00% | $ 6,180,000 |
| 2005 Water Revenue Bonds | 3.97% | 6,270,000 |
| 2010 Water Revenue Bonds | 2.00% - 4.00% | 8,440,000 |
| Total | | $ 20,890,000 |

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

2010 Water Revenue Bonds. The City and Commission have tax-exempt Water Revenue Refunding Bonds, Series 2010 (Series 2010 Bonds) outstanding at June 30, 2010 in the amount of $8,440,000. The proceeds from the bonds were used to advance refund the City and Commission's Series 1998 water revenue bonds. The bonds are limited obligations of the City and the Commission and are payable solely from the net revenues of the Water System. The Series 2010 Bonds are due in annual installments through December 2018, with interest ranging from 2.00% to 4.00%.

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

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

**Revenue Bonds (Continued)**

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

2005 Water Revenue Bonds. During the year ended June 30, 2006, the City and Commission issued $6,410,000 of tax-exempt Water Revenue Bonds, Series 2005 (Series 2005 Bonds). The proceeds from the bonds 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.

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

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

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

**Revenue Bonds (Continued)**

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

| Dates of Redemption (Inclusive) | Redemption Prices |
|---|---|
| December 1, 2009 to November 30, 2010 | 101.0% |
| December 1, 2010 to November 30, 2011 | 100.5 |
| December 1, 2011 and thereafter | 100.0 |

Interest expense related to the Series 2010, Series 2005, and Series 2000 and Series 1998 Bonds for the year ended June 30, 2010 was $1,003,038. No interest was capitalized during the year ended June 30, 2010.

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

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

**Revenue Bonds (Continued)**

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

| Fiscal year ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2011 | $ 6,850,000 | $ 647,963 | $ 7,497,963 |
| 2012 | 1,185,000 | 483,727 | 1,668,727 |
| 2013 | 1,225,000 | 444,545 | 1,669,545 |
| 2014 | 1,265,000 | 404,019 | 1,669,019 |
| 2015 | 1,305,000 | 362,171 | 1,667,171 |
| 2016-2020 | 6,095,000 | 1,106,786 | 7,201,786 |
| 2021-2025 | 2,415,000 | 357,399 | 2,772,399 |
| 2026 | 550,000 | 10,918 | 560,918 |
| | $ 20,890,000 | $ 3,817,528 | $ 24,707,528 |

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

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

**Capital Leases**

The Water, Gas and Light Commission has entered into lease agreements as lessee for financing the acquisition of computer equipment and equipment to be used in the Commission's meter reading process. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the inception dates. Assets under capital lease total $12,201,822, with accumulated depreciation of $6,189,487. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010, are as follows:

| | | |
|---|---|---|
| Fiscal year ending June 30, | | |
| 2011 | $ | 1,211,877 |
| 2012 | | 1,288,808 |
| 2013 | | 1,255,652 |
| 2014 | | 1,231,865 |
| 2015 | | 510,194 |
| Total minimum lease payments | | 5,498,396 |
| Less: Amount representing interest | | (559,896) |
| Present value of minimum lease payments | $ | 4,938,500 |

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

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

**Conduit Debt**

From time to time, ADICA has issued revenue bonds to provide financial assistance to both private and public sector entities for the acquisition and construction of commercial facilities deemed to be of public interest. ADICA is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Three (3) series of bond issuances have occurred from November 1, 2003 to June 30, 2006, totaling $46,072,347. The total amount of bonds outstanding at June 30, 2010 is $44,368,141.

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

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

The Commission used a revolving line of credit to finance a variety of projects, including financing of general operations. Short-term debt activity for the year-end June 30, 2010 is as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|---|---|---|---|---|
| Line of Credit | $ 1,374,100 | $ - | $ 1,374,100 | $ - |

## NOTE 8. RETIREMENT PLANS

### A. Defined Contribution Plan

The City of Albany maintains a defined contribution pension plan, the City of Albany Retirement Savings Plan (“the Savings Plan"), which was established by the City of Albany on January 1, 1998 to provide reasonable retirement security for its “Senior Management Employees”. The plan is administered by Nationwide Retirement Solutions. At June 30, 2010, there were three active participants. The City is required to contribute 8.9% of each Plan participant compensation. Plan participants are required to contribute 5% of their compensation. Plan provisions and contribution requirements are established by and may be amended by the City of Albany Board of Commissioners. For the year ended June 30, 2010, the City contributed $83,773 and employees contributed $13,197.

### B. Defined Benefit Plan

**Plan Description**

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

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

## NOTE 8. RETIREMENT PLANS (CONTINUED)

### B. Defined Benefit Plan (Continued)

**Plan Description (Continued)**

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

Under the "old plan rules", members may normally retire after obtaining 25 years of service or age 65 with at least five years of service. Early retirement is possible if the member is within five years of his or her Normal Retirement Date and has completed at least five years of service. Benefits are calculated at 1.75% of the member's average monthly salary multiplied by the employee's years of service at normal retirement date. Additionally, the members will receive a 1.5% per year cost-of-living increase in their pensions each year. The average monthly salary is defined as the sum of the participants' reported totals compensation in the three years of employment out of the last five years of employment that produce the highest average, divided by 36. Unless a joint and survivor annuity option is elected by the member, the pension benefits will continue for the lifetime of the member with no residual payments to any beneficiaries. For early retirement, the pension payment is reduced by 5% for each year early retirement precedes normal retirement. Vesting changed from 100% after 10 years to 50% after five years, increasing 10% per year to 100% after 10 years of participation.

Under the “new plan rules”, members may retire after obtaining 30 years of service or the attainment of age 60 with five years of service. Early retirement is possible if members are within five years of their Normal Retirement Date, and have completed at least five years of service. Benefits are calculated in the same manner as under the old plan, but at 1.50%. Additionally, the members will receive a 3% per year cost-of-living increase in their pensions each year. All other provisions of the old plan are applicable to the new plan. All modifications to the Plan must be supported by actuarial analysis and must be adopted by at least five members of the Board of Trustees.

## NOTE 8. RETIREMENT PLANS (CONTINUED)

### B. Defined Benefit Plan (Continued)

**Plan Description (Continued)**

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

| | |
|---|---|
| Active employees | 1,138 |
| Retired participants receiving benefits | 710 |
| Terminated vested participants | 372 |
| Total membership | 2,220 |

**Summary of Significant Accounting Policies**

Basis of Accounting

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

## NOTE 8. RETIREMENT PLANS (CONTINUED)

### B. Defined Benefit Plan (Continued)

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

Method Used to Value Investments

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on the national securities markets are valued at the last reported sales price on the last business day of the plan year. Investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at fair value determined by the trustee on the last reported bid and asked prices. The bonds, government, agency and corporate are reported at their market value as of June 30, 2010. No investment in any one organization represented 5% or more of the net assets available for pension benefits at June 30, 2010. There are no investments in, loans to, or leases with parties related to the pension plan.

**Contribution Requirements**

The City's funding policy is to contribute a percentage of covered employee payroll as developed in the actuarial valuation for the Plan. Section 47-20 of the Georgia Code sets forth the funding standards for state and local government pension plans. Effective July 1, 2007, employees were required to make contributions to the Plan as follows: General Employees – 4% of annual covered payroll; Safety Employees – 7% of annual covered payroll. The participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at actuarially determined rates. The actuarial determined contribution amount is the sum of the annual normal cost (determined under the entry age normal method) and the amortization of the unfunded actuarial accrued liability as a level percentage of future payroll. Administrative costs of the Plan are financed through investment income. Actual Contributions to the plan were $5,376,948 from the City and $1,444,330 from Water Gas and Light Commission, a component unit of the City. The City had no net pension obligation as of the fiscal year ended June 30, 2010.

## NOTE 8. RETIREMENT PLANS (CONTINUED)

### B. Defined Benefit Plan (Continued)

**Trend Information**

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation (Asset)* |
|---|---|---|---|
| 6/30/2008 | $ 3,474,213 | 131 % | $ (1,118,600) |
| 6/30/2009 | $ 7,060,720 | 100 % | $ - |
| 6/30/2010 | $ 6,821,278 | 100 % | $ - |

* During the year ended June 30, 2009, the City changed its accounting and funding policies related to the Plan. The City now has a required contribution which is an actuarially determined percentage of payroll each year as opposed to a required contribution equal to a set dollar amount. This practice is allowed under generally accepted accounting principles and is preferable so the City can ensure a direct correlation of required contributions to actual payroll. As a result of this change in accounting policy, the actual employer contributions should always equal the annual required contribution, which for fiscal year 2010 was required to be 8.9% of payroll for general employees and 11.9% of payroll for public safety employees.

## NOTE 8. RETIREMENT PLANS (CONTINUED)

### B. Defined Benefit Plan (Continued)

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

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded Actuarial Accrued Liability | Funded Ratio | Annual Covered Payroll | Unfunded Actuarial Accrued Liability as a Percentage of |
|---|---|---|---|---|---|---|
| 7/1/2008 | $ 107,485,676 | $ 160,715,933 | $ 53,230,257 | 70% | $ 42,310,595 | 126% |

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

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

## NOTE 8. RETIREMENT PLANS (CONTINUED)

### B. Defined Benefit Plan (Continued)

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

## NOTE 8. RETIREMENT PLANS (CONTINUED)

### B. Defined Benefit Plan (Continued)

**Actuarial Assumptions**

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

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

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

The composition of interfund balances as of June 30, 2010, is as follows:

**Due to/from other funds:**

| Receivable Fund | Payable Fund | |
|---|---|---|
| General Fund | Community Development Fund | $ 100,228 |
| General Fund | SPLOST | 1,079,296 |
| General Fund | Sanitary Sewer Fund | 2,573,633 |
| General Fund | Nonmajor Governmental Funds | 1,656,497 |
| General Fund | Internal Service Fund - Self-Administered Insurance | 995,133 |
| General Fund | Internal Service Fund - Workers' Comp | 348,795 |
| General Fund | Internal Service Fund - Long-Term Disability | 36,605 |
| General Fund | Airport Fund | 850,640 |
| General Fund | Nonmajor Enterprise Fund | 20,974 |
| Nonmajor Governmental Funds | Solid Waste Fund | 550,403 |
| Nonmajor Governmental Funds | General Fund | 1,757,582 |
| Nonmajor Governmental Funds | Airport Fund | 1,074 |
| Nonmajor Governmental Funds | Nonmajor Enterprise Fund | 4,773 |
| Nonmajor Governmental Funds | Sanitary Sewer Fund | 687,245 |
| Public Employee Deposit Fund | General Fund | 160,869 |
| Public Employee Deposit Fund | Internal Service Fund - Long-Term Disability | 14,598 |

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

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

Advances to/from other funds result from the use of Public Improvement Fund lease pool proceeds by various funds for capital outlay and the repayment of these funds to the Public Improvement Fund over several years. The composition of advances to/from other funds at June 30, 2010 is as follows:

| Receivable Fund | Payable Fund | | |
|---|---|---|---|
| Nonmajor Governmental Funds | Sanitary Sewer Fund | $ | 677,795 |
| Nonmajor Governmental Funds | Solid Waste Fund | | 460,710 |
| General Fund | Solid Waste Fund | | 2,110,418 |

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

| Receivable Entity | Payable Entity | | |
|---|---|---|---|
| General Fund | Water, Gas & Light Commission | $ | 998,838 |
| Nonmajor Governmental Funds | Water, Gas & Light Commission | | 316,000 |
| Solid Waste Fund | Water, Gas & Light Commission | | 1,943,977 |
| Sanitary Sewer Fund | Water, Gas & Light Commission | | 2,348,399 |
| Public Employee Deposit Fund | Water, Gas & Light Commission | $ | 365,002 |
| General Fund | Chehaw Park Authority | $ | 164,541 |
| Chehaw Park Authority | SPLOST Fund | $ | 22,335 |

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

| | Transfers Out | | | | | |
|---|---|---|---|---|---|---|
| Transfers In | General Fund | Nonmajor Governmental Fund | Sanitary Sewer Fund | Solid Waste Fund | Nonmajor Enterprise Fund | Total |
| General Fund | $ - | $ 1,362,617 | $ - | $ - | $ 162,000 | $ 1,524,617 |
| SPLOST Fund | - | 383,302 | - | - | - | 383,302 |
| Nonmajor Governmental Funds | 2,542,035 | - | 2,207,025 | 2,072,429 | - | 6,821,489 |
| Internal Service Fund - Self Insurance | 392,998 | - | - | - | - | 392,998 |
| Airport Fund | 488,399 | - | - | - | - | 488,399 |
| Nonmajor Enterprise Funds | 1,179,150 | - | - | - | - | 1,179,150 |
| Total | $ 4,602,582 | $ 1,745,919 | $ 2,207,025 | $ 2,072,429 | $ 162,000 | $ 10,789,955 |

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

**Primary Government:**

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

## NOTE 10. CONTINGENT LIABILITIES

**Primary Government: (Continued)**

The City is contingently liable for a $1,300,000 loan from a local financial institution to the Payroll Development Authority. The outstanding balance of this loan at June 30, 2010, is $1,126,684.

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

**Water, Gas and Light Commission:**

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

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

## NOTE 10. CONTINGENT LIABILITIES (CONTINUED)

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

As of June 30, 2010, the Commission is obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The Commission has agreed to purchase all of its future power and energy requirements in excess of that received by the Commission through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by MEAG. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, the participants have guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the Commission would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to $57,064,684 in 2010.

At June 30, 2010, the outstanding debt of MEAG was approximately $4 billion. The Commission's guarantee varies by individual projects undertaken by MEAG and totals approximately $411 million at June 30, 2010.

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

At this time, the Commission anticipates that corrective action will be necessary to bring the Plant into compliance. The total cost of this corrective action is anticipated to range from $2,000,000 to $10,000,000. A total of $2,000,000 is believed by management to be probable. During the year ended June 30, 2010, the Commission incurred costs of $7,870, with total incurred cost to date of $253,218. The liability has been reduced by these costs, resulting in a liability of $1,746,782 recorded on the statement of net assets as an other long-term liability.

## NOTE 11. COMMITMENTS

In addition to the liabilities enumerated in the balance sheet at June 30, 2010, the City has contractual commitments on uncompleted construction contracts totaling approximately $2,020,458.

## NOTE 12. RISK MANAGEMENT

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

The Long-Term Disability Fund (an Internal Service Fund) was established to account for and finance its uninsured risks of loss for group long-term disability. This fund services all claims, and outside commercial coinsurance is not purchased. No liability for unpaid claims existed at June 30, 2010, or June 30, 2009, and therefore no schedule of changes in fund claims liability is presented.

The Workers' Compensation Fund (an Internal Service Fund) was established to account for and finance uninsured risks of loss for workers' compensation. The Fund provides coverage for up to a maximum claim of $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.

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

| | June 30, 2010 | June 30, 2009 |
|---|---|---|
| Unpaid claims, beginning of year | $ 680,517 | $ 449,601 |
| Incurred claims and changes in estimates | 189,592 | 604,802 |
| Claim payments | (474,470) | (373,886) |
| Unpaid claims, end of year | $ 395,639 | $ 680,517 |

## NOTE 12. RISK MANAGEMENT (CONTINUED)

The Public Employees Deposit Fund (an Enterprise Fund) was established to account for and finance its uninsured risks of loss for group accident, health, dental and major medical insurance. Participants include the primary government, its component units – the Chehaw Park Authority and the Water, Gas and Light Commission. The Public Employee Deposit Fund provides coverage for up to a maximum claim of $200,000. The City purchases commercial coinsurance for claims in excess of coverage provided by the Fund and for all other risks of loss.

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

| | June 30, 2010 | June 30, 2009 |
|---|---|---|
| Unpaid claims, beginning of year | $ 1,095,000 | $ 2,025,000 |
| Incurred claims and changes in estimates | 10,904,695 | 12,011,806 |
| Claim payments | (11,164,695) | (12,941,806) |
| Unpaid claims, end of year | $ 835,000 | $ 1,095,000 |

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

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

## NOTE 12. RISK MANAGEMENT (CONTINUED)

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

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

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

| | June 30, 2010 | June 30, 2009 |
|---|---|---|
| Unpaid claims, beginning of year | $ 1,722,335 | $ 783,802 |
| Incurred claims and changes in estimates | 888,974 | 1,797,667 |
| Claim payments | (941,809) | (859,134) |
| Unpaid claims, end of year | $ 1,669,500 | $ 1,722,335 |

## NOTE 13. RELATED ORGANIZATION

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

## NOTE 14. HOTEL/MOTEL LODGING TAX

The City has levied a 5% lodging tax. Of this percentage, 2% is allocated each year to the Chamber of Commerce for use in the promotion of the City. For the fiscal year ended June 30, 2010, $1,271,433 of hotel/motel tax was collected, and $635,717, or 50% of the amount collected was remitted to the Chamber of Commerce. The remaining balance was used by the City for the promotion of tourism.

## NOTE 15. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the eight county west central Georgia area, is a member of the Southwest Georgia Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2010, the city paid $43,062 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

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

## NOTE 16. OTHER POST-EMPLOYMENT BENEFITS

### Plan Description

The City of Albany maintains a cost-sharing multiple employer defined benefit other post-employment benefit plan which was required by GASB 45 and implemented prospectively, The City of Albany Other Post-Employment Benefits Plan ("the OPEB Plan"), which includes retirees from the City of Albany and its component unit, the Water, Gas and Light Commission 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. Employees under the age of 65 who retired prior to July 1, 2003, receive the same health insurance benefits as active employees. These retirees pay 25% of the cost of the premiums, with the City paying the remaining 75% of the cost. New "normal" retirees under age 65 who retired effective July 1, 2003, and later pay 40% of the premiums and the City pays the remaining 60%. New "Early" retirees under the age of 65 who retired effective July 1, 2003, and later pay 50% of the premium cost, with the City paying the remaining 50%. A separate, audited GAAP-basis postemployment benefit plan report is not available for the OPEB Plan.

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

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

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

### Plan Description (Continued)

The General Fund pays the total monthly cost of post-retirement coverage, but is reimbursed for that portion of the premium deemed to be the retired employee's share. For the year ended June 30, 2010, the General Fund's net share of the premiums paid for its 608 retired employees and retired employee's spouses/dependents was $606,819. There were no significant changes in the coverage provided. Membership in the OPEB Plan as of the most recent actuarial valuation date (July 1, 2008) is as follows:

| | |
|---|---|
| Active employees | 1,145 |
| Retired participants receiving benefits | 555 |
| Spouse/dependent of retired participants receiving benefits | 53 |
| Total membership | 1,753 |

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

### Annual OPEB Cost and Net OPEB Obligation

The City contributed $606,819 to the OPEB Plan in the year ended June 30, 2010. The annual required contribution amount is determined using actuarial methods and assumptions approved by the City Commission. The City Commission establishes and may amend the funding policy for the OPEB Plan.

| | | |
|---|---|---|
| Annual required employer contribution | $ | 1,131,237 |
| Interest on net OPEB obligation | | 19,919 |
| Adjustment to annual required contribution | | (19,029) |
| Annual OPEB cost | | 1,132,127 |
| Employer contributions for period ending June 30, 2010 | | 606,819 |
| Increase in net OPEB obligation | | 525,308 |
| Net OPEB obligation beginning of year | | 497,987 |
| Net OPEB obligation end of year | $ | 1,023,295 |

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

### Trend Information

| Fiscal Year Ending | Annual OPEB Cost (APC) | Percentage of APC Contributed | Net OPEB Obligation |
|---|---|---|---|
| 6/30/2010 | $ 1,132,127 | 54% | $ 1,023,295 |
| 6/30/2009 | $ 1,131,237 | 56% | $ 497,987 |

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

Schedule of Funding Progress

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

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

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

### Actuarial Assumptions

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

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

## NOTE 17. RELATED PARTY MATTERS

During the fiscal year ended June 30, 2009, the blended component unit, Albany-Dougherty Inner City Authority provided a loan in the amount of $50,000 to a Board Member of Albany-Dougherty Inner City Authority. The loan is to be used for the start-up cost related to the member's business, which is located in the City. The loan is due in monthly installments beginning August 1, 2009. The balance outstanding is $15,000 at June 30, 2010.

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# REQUIRED SUPPLEMENTARY INFORMATION

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

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded Actuarial Accrued Liability | Funded Ration | Annual Covered Payroll | Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| **7/01/2002** | $ 105,180,588 | $ 115,587,051 | $ 10,406,463 | 91% | $ 32,981,896 | 32% |
| **7/01/2003** | 101,234,395 | 116,585,581 | 15,351,186 | 87% | 33,873,290 | 45% |
| **7/01/2004** | 105,530,007 | 119,790,054 | 14,260,047 | 88% | 34,501,482 | 41% |
| **7/01/2005** | 98,797,803 | 124,523,394 | 25,725,591 | 79% | 37,961,629 | 68% |
| **7/01/2006** | 96,875,060 | 130,509,893 | 33,634,833 | 74% | 39,616,995 | 85% |
| **7/01/2007** | 100,442,613 | 133,952,447 | 33,509,834 | 75% | 41,069,169 | 82% |
| **7/01/2008** | 107,485,676 | 160,715,933 | 53,230,257 | 70% | 42,310,595 | 126% |

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

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

# CITY OF ALBANY, GEORGIA

## NONMAJOR
## GOVERNMENTAL FUNDS

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### Special Revenue Funds:

**Hotel/Motel Tax Fund** - To account for the collection and disbursement of hotel-motel tax revenue.

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

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

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

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

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

**Tax Allocation District Fund** - To account for revenues and expenditures related to the City tax allocation district.

### Debt Service Funds:

**Debt Service Fund** - To account for debt service transactions for bonds and debt other than those bonds issued by ADICA.

### Capital Projects Funds:

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

# CITY OF ALBANY, GEORGIA
## NONMAJOR GOVERNMENTAL FUNDS

## COMBINING BALANCE SHEET
## JUNE 30, 2010

| | Special Revenue Funds | | | | | | |
|---|---|---|---|---|---|---|---|
| ASSETS | Hotel/ Motel Tax | Grant Fund | ARRA Fund | Computer Aided Dispatch | ADICA | Gortatowsky Fund | Tax Allocation District Fund |
| Cash | $ - | $ 320,622 | $ 473,725 | $ 2,038,642 | $ 68,020 | $ 45,744 | $ - |
| Investments | - | - | - | 130 | - | - | - |
| Accounts receivable, net of allowances | 112,252 | - | 429,377 | 376,777 | 3,175 | - | - |
| Loan receivable | - | - | - | - | 17,799 | - | - |
| Due from other funds | 145,858 | - | - | 110,289 | - | 297 | - |
| Due from other governments | - | 853,307 | - | - | - | - | - |
| Due from component units | - | - | - | - | - | - | - |
| Advance to other funds | - | - | - | - | - | - | - |
| Total assets | $ 258,110 | $ 1,173,929 | $ 903,102 | $ 2,525,838 | $ 88,994 | $ 46,041 | $ - |
| **LIABILITIES AND FUND BALANCES** | | | | | | | |
| **LIABILITIES** | | | | | | | |
| Accounts payable | $ - | $ 4,497 | $ - | $ - | $ 1,199 | $ - | $ - |
| Due to other funds | - | 1,089,118 | 439,752 | - | - | - | 127,627 |
| Deferred revenues | - | 55,291 | 466,769 | - | - | - | - |
| Total liabilities | - | 1,148,906 | 906,521 | - | 1,199 | - | 127,627 |
| **FUND BALANCES (DEFICIT)** | | | | | | | |
| Reserved for advances to other funds | - | - | - | - | - | - | - |
| Reserved for program expenditures | - | - | - | - | - | 46,041 | - |
| Reserved for debt service | - | - | - | - | - | - | - |
| Unreserved: | | | | | | | |
| Undesignated | 258,110 | 25,023 | (3,419) | 2,525,838 | 87,795 | - | (127,627) |
| Total fund balances | 258,110 | 25,023 | (3,419) | 2,525,838 | 87,795 | 46,041 | (127,627) |
| Total liabilities and fund balances | $ 258,110 | $ 1,173,929 | $ 903,102 | $ 2,525,838 | $ 88,994 | $ 46,041 | $ - |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## NONMAJOR GOVERNMENTAL FUNDS

## COMBINING BALANCE SHEET
## JUNE 30, 2010

| | Debt Service Fund | Capital Projects Fund | |
|---|---|---|---|
| **ASSETS** | **Debt Service Fund** | **Public Improvement Fund** | **Total** |
| Cash | $ 6,811 | $ 10,503 | $ 2,964,067 |
| Investments | - | 6,062,807 | 6,062,937 |
| Accounts receivable, net of allowances | - | - | 921,581 |
| Loan receivable | - | - | 17,799 |
| Due from other funds | - | 2,744,633 | 3,001,077 |
| Due from other governments | - | 71,682 | 924,989 |
| Due from component unit | - | 316,000 | 316,000 |
| Advance to other funds | - | 1,138,505 | 1,138,505 |
| Total assets | $ 6,811 | $ 10,344,130 | $ 15,346,955 |
| **LIABILITIES AND FUND BALANCES** | | | |
| **LIABILITIES** | | | |
| Accounts payable | $ - | $ 1,815 | $ 7,511 |
| Due to other funds | - | - | 1,656,497 |
| Deferred revenue | - | - | 522,060 |
| Total liabilities | - | 1,815 | 2,186,068 |
| **FUND BALANCES (DEFICIT)** | | | |
| Reserved for advances to other funds | - | 1,138,505 | 1,138,505 |
| Reserved for program expenditures | - | - | 46,041 |
| Reserved for debt service | 6,811 | - | 6,811 |
| Unreserved: | | | |
| Undesignated | - | 9,203,810 | 11,969,530 |
| Total fund balances | 6,811 | 10,342,315 | 13,160,887 |
| Total liabilities and fund balances | $ 6,811 | $ 10,344,130 | $ 15,346,955 |

# CITY OF ALBANY, GEORGIA
## NONMAJOR GOVERNMENTAL FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Special Revenue Funds | | | | | | |
|---|---|---|---|---|---|---|---|
| | Hotel/ Motel Tax | Grant Fund | ARRA Fund | Computer Aided Dispatch | ADICA | Gortatowsky Fund | Tax Allocation District Fund |
| **Revenues:** | | | | | | | |
| Property taxes | $ - | $ - | $ - | $ - | $ - | $ - | $ 6,880 |
| Other taxes | 1,271,433 | - | - | - | - | - | - |
| Intergovernmental | - | 1,910,935 | 1,226,448 | 82,012 | 250,000 | - | - |
| Charges for services | - | - | - | 1,679,424 | 76,294 | - | - |
| Other revenues: | | | | | | | |
| Interest income | - | - | - | 16,216 | 100 | 98 | - |
| Other income | - | - | - | 768 | - | 298 | - |
| Total revenues | 1,271,433 | 1,910,935 | 1,226,448 | 1,778,420 | 326,394 | 396 | 6,880 |
| **Expenditures:** | | | | | | | |
| Current: | | | | | | | |
| Judicial | - | 68,860 | - | - | - | - | - |
| Public safety | - | 376,955 | 1,164,574 | 1,549,293 | - | - | - |
| Public works | - | 36,204 | - | - | - | - | - |
| Parks and recreation | - | 25,349 | - | - | - | - | - |
| Community development | 635,717 | 1,378,544 | 65,293 | - | 646,879 | - | 127,646 |
| Capital outlay | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Interest | - | - | - | - | - | - | 6,861 |
| Bond issuance cost | - | - | - | - | 210,330 | - | - |
| Total expenditures | 635,717 | 1,885,912 | 1,229,867 | 1,549,293 | 857,209 | - | 134,507 |
| Excess (deficiency) of revenues over (under) expenditures | 635,716 | 25,023 | (3,419) | 229,127 | (530,815) | 396 | (127,627) |
| **Other financing sources (uses):** | | | | | | | |
| Issuance of bonds payable | - | - | - | - | 310,330 | - | - |
| Transfers in | - | - | - | - | 350,730 | - | - |
| Transfers out | (600,000) | - | - | - | - | - | - |
| Total other financing sources (uses) | (600,000) | - | - | - | 661,060 | - | - |
| Net change in fund balances | 35,716 | 25,023 | (3,419) | 229,127 | 130,245 | 396 | (127,627) |
| **Fund balances (deficit), beginning of year** | 222,394 | - | - | 2,296,711 | (42,450) | 45,645 | - |
| **Fund balances (deficit), end of year** | $ 258,110 | $ 25,023 | $ (3,419) | $ 2,525,838 | $ 87,795 | $ 46,041 | $ (127,627) |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## NONMAJOR GOVERNMENTAL FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Debt Service Funds | Capital Projects Fund | |
|---|---|---|---|
| | Debt Service Fund | Public Improvement Fund | Total |
| **Revenues:** | | | |
| Property taxes | $ - | $ - | $ 6,880 |
| Other taxes | - | - | 1,271,433 |
| Intergovernmental | - | 1,789,837 | 5,259,232 |
| Charges for services | - | - | 1,755,718 |
| Other revenues: | | | |
| Interest income | 3 | 536,216 | 552,633 |
| Other income | - | - | 1,066 |
| Total revenues | 3 | 2,326,053 | 8,846,962 |
| **Expenditures:** | | | |
| Current: | | | |
| Judicial | - | - | 68,860 |
| Public safety | - | - | 3,090,822 |
| Public works | - | - | 36,204 |
| Parks and recreation | - | - | 25,349 |
| Community development | - | - | 2,854,079 |
| Capital outlay | - | 2,332,587 | 2,332,587 |
| Debt service: | | | |
| Interest | - | 515,000 | 521,861 |
| Bond issuance cost | - | - | 210,330 |
| Total expenditures | - | 2,847,587 | 9,140,092 |
| Excess (deficiency) of revenues over (under) expenditures | 3 | (521,534) | (293,130) |
| **Other financing sources (uses):** | | | |
| Issuance of bonds payable | - | - | 310,330 |
| Transfers in | - | 6,470,759 | 6,821,489 |
| Transfers out | (762,617) | (383,302) | (1,745,919) |
| Total other financing sources (uses) | (762,617) | 6,087,457 | 5,385,900 |
| Net change in fund balances | (762,614) | 5,565,923 | 5,092,770 |
| **Fund balances (deficit), beginning of year** | 769,425 | 4,776,392 | 8,068,117 |
| **Fund balances (deficit), end of year** | $ 6,811 | $ 10,342,315 | $ 13,160,887 |

# CITY OF ALBANY, GEORGIA

## BUDGETARY COMPLIANCE

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| | | |
|---|---|---|
| **Special Revenue Funds** | - | Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual |
| **Debt Service Fund** | - | Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual |

# CITY OF ALBANY, GEORGIA
## NONMAJOR GOVERNMENTAL FUNDS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Special Revenue Funds | | | | | |
|---|---|---|---|---|---|---|
| | Hotel/Motel Tax Fund | | | Computer Aided Dispatch Fund | | |
| | Original and Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance |
| **Revenues:** | | | | | | |
| Taxes | $ 1,200,000 | $ 1,271,433 | $ 71,433 | $ - | $ - | $ - |
| Intergovernmental | - | - | - | 73,000 | 82,012 | 9,012 |
| Charges for services | - | - | - | 1,555,603 | 1,679,424 | 123,821 |
| Interest income | - | - | - | 40,000 | 16,216 | (23,784) |
| Other income | - | - | - | - | 768 | 768 |
| Total revenues | 1,200,000 | 1,271,433 | 71,433 | 1,668,603 | 1,778,420 | 109,817 |
| **Expenditures:** | | | | | | |
| Current: | | | | | | |
| Judicial | - | - | - | - | - | - |
| Public safety | - | - | - | 1,753,967 | 1,549,293 | 204,674 |
| Public works | - | - | - | - | - | - |
| Parks and recreation | - | - | - | - | - | - |
| Community development | 600,000 | 635,717 | (35,717) | - | - | - |
| Debt service | - | - | - | - | - | - |
| Total expenditures | 600,000 | 635,717 | (35,717) | 1,753,967 | 1,549,293 | 204,674 |
| Excess (deficiency) of revenues over expenditures | 600,000 | 635,716 | 35,716 | (85,364) | 229,127 | 314,491 |
| **Other financing sources (uses):** | | | | | | |
| Issuance of bonds payable | - | - | - | - | - | - |
| Transfers in | - | - | - | 770,707 | - | 770,707 |
| Transfers out | (600,000) | (600,000) | - | (685,343) | - | (685,343) |
| Total other financing sources (uses) | (600,000) | (600,000) | - | 85,364 | - | 85,364 |
| Net change in fund balances | $ - | 35,716 | $ 35,716 | $ - | 229,127 | $ 229,127 |
| **Fund balances (deficit), beginning of year** | | 222,394 | | | 2,296,711 | |
| **Fund balance (deficit), end of year** | | $ 258,110 | | | $ 2,525,838 | |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## NONMAJOR GOVERNMENTAL FUNDS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Special Revenue Funds | | | | | |
|---|---|---|---|---|---|---|
| | Grant Fund | | | ARRA Fund | | |
| | Original and Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance |
| **Revenues:** | | | | | | |
| Taxes | $ - | $ - | $ - | $ - | $ - | $ - |
| Intergovernmental | 1,800,048 | 1,910,935 | 110,887 | 1,453,953 | 1,226,448 | (227,505) |
| Charges for services | - | - | - | - | - | - |
| Interest income | - | - | - | - | - | - |
| Other income | - | - | - | - | - | - |
| Total revenues | 1,800,048 | 1,910,935 | 110,887 | 1,453,953 | 1,226,448 | (227,505) |
| **Expenditures:** | | | | | | |
| Current: | | | | | | |
| Judicial | 172,045 | 68,860 | 103,185 | - | - | - |
| Public safety | 39,000 | 376,955 | (337,955) | 1,368,631 | 1,164,574 | 204,057 |
| Public works | 46,000 | 36,204 | 9,796 | - | - | - |
| Parks and recreation | 75,000 | 25,349 | 49,651 | - | - | - |
| Community development | 1,468,003 | 1,378,544 | 89,459 | 85,322 | 65,293 | 20,029 |
| Debt service | - | - | - | - | - | - |
| Total expenditures | 1,800,048 | 1,885,912 | (85,864) | 1,453,953 | 1,229,867 | 224,086 |
| Excess (deficiency) of revenues over expenditures | - | 25,023 | 25,023 | - | (3,419) | (3,419) |
| **Other financing sources (uses):** | | | | | | |
| Issuance of bonds payable | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Net change in fund balances | $ - | 25,023 | $ 25,023 | $ - | (3,419) | $ (3,419) |
| **Fund balances (deficit), beginning of year** | | - | | | - | |
| **Fund balance (deficit), end of year** | | $ 25,023 | | | $ (3,419) | |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## NONMAJOR GOVERNMENTAL FUNDS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Special Revenue Funds | | | | | |
|---|---|---|---|---|---|---|
| | Tax Allocation District Fund | | | Gortatowsky Fund | | |
| | Original and Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance |
| **Revenues:** | | | | | | |
| Taxes | $ - | $ 6,880 | $ 6,880 | $ - | $ - | $ - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Interest income | - | - | - | - | 98 | 98 |
| Other income | - | - | - | - | 298 | 298 |
| Total revenues | - | 6,880 | 6,880 | - | 396 | 396 |
| **Expenditures:** | | | | | | |
| Current: | | | | | | |
| Judicial | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - |
| Parks and recreation | - | - | - | - | - | - |
| Community development | - | 127,646 | (127,646) | - | - | - |
| Debt service | - | 6,861 | (6,861) | - | - | - |
| Total expenditures | - | 134,507 | (134,507) | - | - | - |
| Excess (deficiency) of revenues over expenditures | - | (127,627) | (127,627) | - | 396 | 396 |
| **Other financing sources (uses):** | | | | | | |
| Issuance of bonds payable | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Net change in fund balances | $ - | (127,627) | $ (127,627) | $ - | 396 | $ 396 |
| **Fund balances (deficit), beginning of year** | | - | | | 45,645 | |
| **Fund balance (deficit), end of year** | | $ (127,627) | | | $ 46,041 | |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## NONMAJOR GOVERNMENTAL FUNDS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Special Revenue Funds | | | Debt Service Fund | | |
|---|---|---|---|---|---|---|
| | ADICA | | | | | |
| | Original and Final Budget | Actual | Variance | Original and Final Budget | Actual | Variance |
| **Revenues:** | | | | | | |
| Taxes | $ - | $ - | $ - | $ - | $ - | $ - |
| Intergovernmental | 550,000 | 250,000 | (300,000) | - | - | - |
| Charges for services | - | 76,294 | 76,294 | - | - | - |
| Interest income | - | 100 | 100 | - | 3 | 3 |
| Other income | | - | - | - | - | - |
| Total revenues | 550,000 | 326,394 | (223,606) | - | 3 | 3 |
| **Expenditures:** | | | | | | |
| Current: | | | | | | |
| Judicial | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - |
| Parks and recreation | - | - | - | - | - | - |
| Community development | 550,000 | 646,879 | (96,879) | - | - | - |
| Debt service | - | 210,330 | (210,330) | - | - | - |
| Total expenditures | 550,000 | 857,209 | (307,209) | - | - | - |
| Excess (deficiency) of revenues over expenditures | - | (530,815) | (530,815) | - | 3 | 3 |
| **Other financing sources (uses):** | | | | | | |
| Issuance of bonds payable | - | 310,330 | 310,330 | - | - | - |
| Transfers in | - | 350,730 | 350,730 | - | - | - |
| Transfers out | - | - | - | - | (762,617) | (762,617) |
| Total other financing sources (uses): | - | 661,060 | 661,060 | - | (762,617) | (762,617) |
| Net change in fund balances | $ - | 130,245 | $ 130,245 | $ - | (762,614) | $ (762,614) |
| **Fund balances (deficit), beginning of year** | | (42,450) | | | 769,425 | |
| **Fund balance (deficit), end of year** | | $ 87,795 | | | $ 6,811 | |

# CITY OF ALBANY, GEORGIA

## NONMAJOR
## ENTERPRISE FUNDS

---

| | | |
|---|---|---|
| **Transit Fund** | - | To account for the provision of transit service to the residents of the City. All activities necessary to provide such services are accounted for in this fund. |
| **Civic Center Fund** | - | To account for the operations of the James H. Gray Civic Center. All activities necessary to provide such services are accounted for in this fund. |
| **Municipal Auditorium Fund** | - | To account for the operations of the municipal auditorium. All activities necessary to provide such services are accounted for in this fund. |

# CITY OF ALBANY, GEORGIA
## NONMAJOR ENTERPRISE FUNDS

## COMBINING STATEMENT OF NET ASSETS
## JUNE 30, 2010

| ASSETS | Transit Fund | Civic Center Fund | Municipal Auditorium Fund | Totals |
|---|---|---|---|---|
| **CURRENT ASSETS** | | | | |
| Cash | $ - | $ 36,140 | $ 28,950 | $ 65,090 |
| Accounts receivable, net of allowances | - | - | 2,211 | 2,211 |
| Inventories | 89,420 | - | - | 89,420 |
| Due from other governments | 515,424 | - | - | 515,424 |
| Total current assets | 604,844 | 36,140 | 31,161 | 672,145 |
| **NONCURRENT ASSETS** | | | | |
| Capital assets | | | | |
| Non-depreciable | 217,625 | 2,739,908 | 109,853 | 3,067,386 |
| Depreciable, net of accumulated depreciation | 2,394,954 | 7,976,506 | 2,683,163 | 13,054,623 |
| Total noncurrent assets | 2,612,579 | 10,716,414 | 2,793,016 | 16,122,009 |
| Total assets | 3,217,423 | 10,752,554 | 2,824,177 | 16,794,154 |
| **LIABILITIES** | | | | |
| **CURRENT LIABILITIES** | | | | |
| Accounts payable | 11,548 | 35,190 | 3,485 | 50,223 |
| Current portion - compensated absences | 109,567 | 49,691 | - | 159,258 |
| Due to other funds | - | 25,747 | - | 25,747 |
| Deferred revenues | 94,433 | 9,503 | 6,694 | 110,630 |
| Total current liabilities | 215,548 | 120,131 | 10,179 | 345,858 |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## NONMAJOR ENTERPRISE FUNDS

## COMBINING STATEMENT OF NET ASSETS
## JUNE 30, 2010

| | Transit Fund | Civic Center Fund | Municipal Auditorium Fund | Totals |
|---|---|---|---|---|
| **LONG-TERM LIABILITIES** | | | | |
| Compensated absences, net of current portion | $ 12,174 | $ 5,521 | $ - | $ 17,695 |
| Total long-term liabilities | 12,174 | 5,521 | - | 17,695 |
| Total liabilities | 227,722 | 125,652 | 10,179 | 363,553 |
| **NET ASSETS** | | | | |
| Invested in capital assets, net of related debt | 2,612,579 | 10,716,414 | 2,793,016 | 16,122,009 |
| Unrestricted (deficit) | 377,122 | (89,512) | 20,982 | 308,592 |
| Total net assets | $ 2,989,701 | $ 10,626,902 | $ 2,813,998 | $ 16,430,601 |

# CITY OF ALBANY, GEORGIA
## NONMAJOR ENTERPRISE FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Transit Fund | Civic Center Fund | Municipal Auditorium Fund | Totals |
|---|---|---|---|---|
| **Operating revenues:** | | | | |
| Charges for services | $ 476,251 | $ 404,489 | $ 61,862 | $ 942,602 |
| Total operating revenues | 476,251 | 404,489 | 61,862 | 942,602 |
| **Operating expenses:** | | | | |
| Personnel costs | 1,515,366 | 753,167 | - | 2,268,533 |
| Supplies | 32,199 | 38,073 | 1,834 | 72,106 |
| Operating services and charges | 770,086 | 643,651 | 26,262 | 1,439,999 |
| Maintenance and repairs | 396,208 | 60,757 | 10,108 | 467,073 |
| Depreciation and amortization | 383,148 | 425,245 | 129,327 | 937,720 |
| Total operating expenses | 3,097,007 | 1,920,893 | 167,531 | 5,185,431 |
| Operating loss | (2,620,756) | (1,516,404) | (105,669) | (4,242,829) |
| **Nonoperating revenues (expenses):** | | | | |
| Interest income | - | 717 | 352 | 1,069 |
| Intergovernmental - operating grants | 815,359 | - | - | 815,359 |
| Intergovernmental - capital grants | 882,739 | - | - | 882,739 |
| Gain (loss) on sale of assets | (1,373) | 841 | - | (532) |
| Total nonoperating revenues (expenses) | 1,696,725 | 1,558 | 352 | 1,698,635 |
| Loss before contributions and transfers | (924,031) | (1,514,846) | (105,317) | (2,544,194) |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## NONMAJOR ENTERPRISE FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Transit Fund | Civic Center Fund | Municipal Auditorium Fund | Totals |
|---|---|---|---|---|
| Capital contributions | $ 517,821 | $ 314,087 | $ - | $ 831,908 |
| **Transfers** | | | | |
| Transfers in | 393,531 | 765,871 | 19,748 | 1,179,150 |
| Transfers out | - | - | (162,000) | (162,000) |
| Total transfers | 393,531 | 765,871 | (142,252) | 1,017,150 |
| Change in net assets | (12,679) | (434,888) | (247,569) | (695,136) |
| **Total net assets, beginning of year** | 3,002,380 | 11,061,790 | 3,061,567 | 17,125,737 |
| **Total net assets, end of year** | $ 2,989,701 | $ 10,626,902 | $ 2,813,998 | $ 16,430,601 |

# CITY OF ALBANY, GEORGIA
## NONMAJOR ENTERPRISE FUNDS

## COMBINING STATEMENT OF CASH FLOWS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Transit Fund | Civic Center Fund | Municipal Auditorium Fund | Totals |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Receipts from customers | $ 513,599 | $ 410,047 | $ 76,002 | $ 999,648 |
| Payments to suppliers | (1,077,610) | (721,976) | (38,314) | (1,837,900) |
| Payments to employees | (1,527,718) | (815,661) | - | (2,343,379) |
| Net cash provided by (used in) operating activities | (2,091,729) | (1,127,590) | 37,688 | (3,181,631) |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | |
| Transfers in | 393,531 | 765,871 | 19,748 | 1,179,150 |
| Transfers out | - | - | (162,000) | (162,000) |
| Operating grants received | 815,359 | - | - | 815,359 |
| Net cash provided by (used in) noncapital financing activities | 1,208,890 | 765,871 | (142,252) | 1,832,509 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Advance from other funds | - | (5,244) | - | (5,244) |
| Proceeds from sale of capital assets | - | 841 | - | 841 |
| Capital grants received | 882,739 | - | - | 882,739 |
| Net cash provided by (used in) capital and related financing activities | 882,739 | (4,403) | - | 878,336 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Interest on investments | - | 717 | 352 | 1,069 |
| Net cash provided by investing activities | - | 717 | 352 | 1,069 |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## NONMAJOR ENTERPRISE FUNDS

## COMBINING STATEMENT OF CASH FLOWS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Transit Fund | Civic Center Fund | Municipal Auditorium Fund | Totals |
|---|---|---|---|---|
| **Decrease in cash and cash equivalents** | $ (100) | $ (365,405) | $ (104,212) | $ (469,717) |
| **Cash and cash equivalents:** | | | | |
| Beginning of year | 100 | 401,545 | 133,162 | 534,807 |
| End of year | $ - | $ 36,140 | $ 28,950 | $ 65,090 |
| **RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:** | | | | |
| Operating loss | $ (2,620,756) | $ (1,516,404) | $ (105,669) | $ (4,242,829) |
| Adjustments to reconcile operating loss to net cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization | 383,148 | 425,245 | 129,327 | 937,720 |
| Decrease in accounts receivable | - | 8,520 | 12,890 | 21,410 |
| Decrease in inventories | 27,983 | - | - | 27,983 |
| Decrease in due from other funds | 37,348 | - | - | 37,348 |
| Decrease in due from other governments | 92,900 | - | - | 92,900 |
| Decrease in accounts payable and accrued liabilities | (12,352) | (62,494) | (110) | (74,956) |
| Increase in due to other funds | - | 20,505 | - | 20,505 |
| Increase (decrease) in deferred revenues | - | (2,962) | 1,250 | (1,712) |
| Net cash provided by (used in) operating activities | $ (2,091,729) | $ (1,127,590) | $ 37,688 | $ (3,181,631) |
| **NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES** | | | | |
| Contributions of capital assets from governmental activities | $ 517,821 | $ 314,087 | $ - | $ 831,908 |

# CITY OF ALBANY, GEORGIA

## INTERNAL SERVICE FUNDS

---

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

# CITY OF ALBANY, GEORGIA
## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF NET ASSETS
## JUNE 30, 2010

| | Self-Administered Insurance Fund | Long-Term Disability Fund | Workers' Compensation Fund | Totals |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash | $ 2,664,531 | $ 138,587 | $ 2,484,665 | $ 5,287,783 |
| Investments | 102 | - | - | 102 |
| Total assets | 2,664,633 | 138,587 | 2,484,665 | 5,287,885 |
| **LIABILITIES AND FUND EQUITY** | | | | |
| **LIABILITIES** | | | | |
| Claims payable | 1,669,500 | - | 395,639 | 2,065,139 |
| Due to other funds | 995,133 | 51,203 | 348,795 | 1,395,131 |
| Total liabilities | 2,664,633 | 51,203 | 744,434 | 3,460,270 |
| **NET ASSETS** | | | | |
| Unrestricted | - | 87,384 | 1,740,231 | 1,827,615 |
| Total net assets | $ - | $ 87,384 | $ 1,740,231 | $ 1,827,615 |

# CITY OF ALBANY, GEORGIA
## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Self-Administered Insurance Fund | Long-Term Disability Fund | Workers' Compensation Fund | Totals |
|---|---|---|---|---|
| **Operating revenues:** | | | | |
| Charges for services | $ 1,843,212 | $ - | $ 336 | $ 1,843,548 |
| Other | - | - | 87,308 | 87,308 |
| Total operating revenues | 1,843,212 | - | 87,644 | 1,930,856 |
| **Operating expenses:** | | | | |
| Claims and damages | 888,974 | 51,203 | 189,592 | 1,129,769 |
| Administrative | 76,869 | - | 371,613 | 448,482 |
| Total operating expenses | 965,843 | 51,203 | 561,205 | 1,578,251 |
| Operating income (loss) | 877,369 | (51,203) | (473,561) | 352,605 |
| **Interest income** | 5,097 | 309 | 4,929 | 10,335 |
| Income (loss) before transfers | 882,466 | (50,894) | (468,632) | 362,940 |
| Transfers in | 392,998 | - | - | 392,998 |
| Change in net assets | 1,275,464 | (50,894) | (468,632) | 755,938 |
| **Net assets (deficit), beginning of year** | (1,275,464) | 138,278 | 2,208,863 | 1,071,677 |
| **Net assets, end of year** | $ - | $ 87,384 | $ 1,740,231 | $ 1,827,615 |

# CITY OF ALBANY, GEORGIA
## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF CASH FLOWS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Self-Administered Insurance Fund | Long-Term Disability Fund | Workers' Compensation Fund | Totals |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Receipts from other funds | $ 862,842 | $ - | $ 435,932 | $ 1,298,774 |
| Claims paid | (941,809) | - | (494,470) | (1,436,279) |
| Premiums paid | (76,869) | - | (351,613) | (428,482) |
| Net cash used in operating activities | (155,836) | - | (410,151) | (565,987) |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | |
| Transfers in | 392,998 | - | - | 392,998 |
| Net cash provided by noncapital financing activities | 392,998 | - | - | 392,998 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Interest on investments | 5,097 | 309 | 4,929 | 10,335 |
| Net cash provided by investing activities | 5,097 | 309 | 4,929 | 10,335 |
| Increase (decrease) in cash and cash equivalents | 242,259 | 309 | (405,222) | (162,654) |
| **Cash and cash equivalents:** | | | | |
| Beginning of year | 2,422,374 | 138,278 | 2,889,887 | 5,450,539 |
| End of year | $ 2,664,633 | $ 138,587 | $ 2,484,665 | $ 5,287,885 |

**(Continued)**

# CITY OF ALBANY, GEORGIA
## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF CASH FLOWS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Self-Administered Insurance Fund | Long-Term Disability Fund | Workers' Compensation Fund | Totals |
|---|---|---|---|---|
| **Classified as:** | | | | |
| Cash | $ 2,664,531 | $ 138,587 | $ 2,484,665 | $ 5,287,783 |
| Investments | 102 | - | - | 102 |
| | $ 2,664,633 | $ 138,587 | $ 2,484,665 | $ 5,287,885 |
| **RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES** | | | | |
| Operating income (loss) | $ 877,369 | $ (51,203) | $ (473,561) | $ 352,605 |
| Adjustments to reconcile operating income (loss) to net cash used in operating activities: | | | | |
| Changes in assets and liabilities: | | | | |
| Decrease in claims payable | (52,835) | - | (284,878) | (337,713) |
| Increase (decrease) in due to other funds | (980,370) | 51,203 | 348,288 | (580,879) |
| Net cash used in operating activities | $ (155,836) | $ - | $ (410,151) | $ (565,987) |

# CITY OF ALBANY, GEORGIA

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

## 2005 SPECIAL CITY SALES TAX

| Project | Estimated Cost | | Expenditures | | |
|---|---|---|---|---|---|
| | Original | Current | Prior Years | Current Year | Cumulative Total |
| Airport Improvements | $ 1,703,200 | $ 1,703,200 | $ 1,497,183 | $ 199,547 | $ 1,696,730 |
| Civic Center Improvements | 2,560,000 | 2,560,000 | 2,475,279 | 67 | 2,475,346 |
| Engineering | 13,850,000 | 13,750,000 | 2,150,193 | 1,282,668 | 3,432,861 |
| Civic Center Debt Retirement | 5,500,000 | 5,500,000 | 3,989,056 | 1,338,720 | 5,327,776 |
| Fire Department Equipment | 1,500,000 | 1,500,000 | - | - | - |
| Public Safety Communications and Equipment | 150,000 | 150,000 | - | - | - |
| Public Works | 6,810,000 | 6,810,000 | 5,280,343 | 897,954 | 6,178,297 |
| Recreation | 5,000,000 | 5,000,000 | 1,203,226 | 2,627,730 | 3,830,956 |
| 800 MHZ Radio Upgrade, Tower | 6,800,000 | 6,800,000 | 6,651,231 | 11,906 | 6,663,137 |
| GPS/GIS Information Infrastructure Mapping | 1,500,000 | 1,500,000 | 359,792 | 133,837 | 493,629 |
| Fire Training Facility | 1,500,000 | 1,500,000 | 1,711,525 | 1,127,006 | 2,838,531 |
| GIS/Color Infrared Photos | 750,000 | 750,000 | 95,362 | 225,957 | 321,319 |
| Disparity Study | 350,000 | 350,000 | 339,871 | - | 339,871 |
| Riverfront Development Projects | 8,650,000 | 7,151,425 | 5,045,934 | - | 5,045,934 |
| Thronateeska Improvements | 3,500,000 | 3,900,400 | 3,897,834 | 11,644 | 3,909,478 |
| Civil Rights Museum Expansion | 3,750,000 | 4,098,175 | 4,029,213 | 880 | 4,030,093 |
| Chehaw Park Improvements | 2,000,000 | 2,000,000 | 230,396 | 680,362 | 910,758 |
| East Broad Lead Clean-up | - | 850,000 | 909,097 | 2,132 | 911,229 |
| Debt Service - Principal on SPLOST bonds | - | - | 4,510,000 | 4,665,000 | 9,175,000 |
| Debt Service - Interest on SPLOST bonds | - | - | 1,388,833 | 403,325 | 1,792,158 |
| Total | $ 65,873,200 | $ 65,873,200 | $ 45,764,368 | $ 13,608,735 | $ 59,373,103 |

# CITY OF ALBANY, GEORGIA

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

## 2000 SPECIAL CITY SALES TAX

| Project | Estimated Cost | | Expenditures | | |
|---|---|---|---|---|---|
| | Original | Current | Prior Years | Current Year | Cumulative Total |
| Law Enforcement Center | $ 14,500,000 | $ 14,500,000 | $ 2,092,445 | $ - | $ 2,092,445 |
| Debt Retirement | 6,811,094 | 6,811,094 | 7,037,929 | - | 7,037,929 |
| Street Improvements | 6,500,000 | 6,500,000 | 6,499,803 | 34,632 | 6,534,435 |
| Recreation Improvements | 3,150,000 | 3,150,000 | 1,349,918 | - | 1,349,918 |
| Storm Drainage Improvements | 3,000,000 | 3,000,000 | 1,191,646 | - | 1,191,646 |
| Fire Station and Equipment | 2,000,000 | 2,000,000 | 2,001,362 | - | 2,001,362 |
| Traffic Safety | 725,000 | 725,000 | 725,000 | - | 725,000 |
| Chehaw Park Improvements | 700,000 | 700,000 | 193,809 | - | 193,809 |
| Capital Improvement Project funded by Dougherty County | 1,800,000 | 1,800,000 | 1,776,726 | - | 1,776,726 |
| Total | $ 39,186,094 | $ 39,186,094 | $ 22,868,638 | $ 34,632 | $ 22,903,270 |

# CITY OF ALBANY, GEORGIA

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

## 1995 SPECIAL CITY SALES TAX

| Project | Estimated Cost | | Expenditures | | |
|---|---|---|---|---|---|
| | Original | Current | Prior Years | Current Year | Cumulative Total |
| Street and Road Projects | $ 10,000,000 | $ 10,000,000 | $ 13,155,047 | $ 67,272 | $ 13,222,319 |
| Water and Sewer Extensions | 7,200,000 | 7,200,000 | 14,848,433 | - | 14,848,433 |
| Fire Station and Equipment | 2,500,000 | 2,500,000 | 2,503,629 | - | 2,503,629 |
| Emergency Operations Center | 3,000,000 | 3,000,000 | 2,942,042 | - | 2,942,042 |
| Community Policing Centers | 1,500,000 | 1,500,000 | 1,497,283 | - | 1,497,283 |
| Recreation Improvements | 8,500,000 | 8,500,000 | 7,713,804 | - | 7,713,804 |
| Chehaw Park Improvements | 1,000,000 | 1,000,000 | 1,000,000 | - | 1,000,000 |
| Downtown Improvements | 2,350,000 | 2,350,000 | 1,618,433 | - | 1,618,433 |
| Retirement of Government Center Debt | 3,500,000 | 3,500,000 | 3,289,863 | - | 3,289,863 |
| Total | $ 39,550,000 | $ 39,550,000 | $ 48,568,534 | $ 67,272 | $ 48,635,806 |

# CITY OF ALBANY, GEORGIA

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

## 1990 SPECIAL CITY SALES TAX

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

# STATISTICAL SECTION
# (UNAUDITED)

# STATISTICAL SECTION
# (UNAUDITED)

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

**Contents** **Page**


**Financial Trends** ..... **138 - 146**

*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** ..... **147 - 152**

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

**Debt Capacity** ..... **153 - 157**

*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** ..... **158 - 160**

*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** ..... **161 and 162**

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


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

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

# CITY OF ALBANY, GEORGIA

## NET ASSETS BY COMPONENT
## LAST EIGHT FISCAL YEARS

| | Fiscal Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Governmental activities | | | | | | | | |
| Invested in capital assets, net of related debt | $ 55,137,111 | $ 61,293,366 | $ 79,137,673 | $ 63,265,904 | $ 50,077,946 | $ 70,610,705 | $ 78,428,752 | $ 88,743,491 |
| Restricted | 309,413 | 51,416 | 101 | 15,013,027 | 22,207,175 | 21,328,367 | 16,456,922 | 13,177,567 |
| Unrestricted | 26,826,914 | 34,523,181 | 26,893,280 | 28,798,084 | 53,087,410 | 44,719,433 | 40,133,840 | 45,542,781 |
| Total governmental activities net assets | $ 82,273,438 | $ 95,867,963 | $ 106,031,054 | $ 107,077,015 | $ 125,372,531 | $ 136,658,505 | $ 135,019,514 | $ 147,463,839 |
| Business-type activities | | | | | | | | |
| Invested in capital assets, net of related debt | $ 45,691,981 | $ 48,136,706 | $ 49,256,423 | $ 73,004,315 | $ 82,562,046 | $ 86,139,998 | $ 87,159,039 | $ 90,125,991 |
| Restricted | 7,503,533 | 7,885,008 | 5,287,933 | 2,664,869 | 2,611,185 | 575,157 | 3,009,678 | 2,667,647 |
| Unrestricted | 6,377,188 | 7,319,208 | 10,898,996 | 13,281,984 | 14,604,568 | 20,104,218 | 19,368,954 | 12,927,651 |
| Total business-type activities net assets | $ 59,572,702 | $ 63,340,922 | $ 65,443,352 | $ 88,951,168 | $ 99,777,799 | $ 106,819,373 | $ 109,537,671 | $ 105,721,289 |
| Primary government | | | | | | | | |
| Invested in capital assets, net of related debt | $ 100,829,092 | $ 109,430,072 | $ 128,394,096 | $ 136,270,219 | $ 132,639,992 | $ 156,750,703 | $ 165,587,791 | $ 178,869,482 |
| Restricted | 7,812,946 | 7,936,424 | 5,288,034 | 17,677,896 | 24,818,360 | 21,903,524 | 19,466,600 | 15,845,214 |
| Unrestricted | 33,204,102 | 41,842,389 | 37,792,276 | 42,080,068 | 67,691,978 | 64,823,651 | 59,502,794 | 58,470,432 |
| Total primary government net assets | $ 141,846,140 | $ 159,208,885 | $ 171,474,406 | $ 196,028,183 | $ 225,150,330 | $ 243,477,878 | $ 244,557,185 | $ 253,185,128 |

**NOTES**

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

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

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

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

# CITY OF ALBANY, GEORGIA

## CHANGES IN NET ASSETS
## LAST EIGHT FISCAL YEARS

| | Fiscal Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| **Expenses** | | | | | | | | |
| Primary government: | | | | | | | | |
| Governmental activities: | | | | | | | | |
| General government | $ 7,262,456 | $ 7,276,172 | $ 8,137,913 | $ 8,434,146 | $ 11,031,409 | $ 13,063,421 | $ 12,215,564 | $ 10,854,334 |
| Judicial | 602,121 | 559,782 | 534,486 | 699,203 | 874,234 | 910,240 | 952,323 | 1,057,836 |
| Public safety | 26,426,783 | 24,026,801 | 28,127,098 | 25,879,588 | 26,853,620 | 30,268,106 | 31,206,297 | 31,544,927 |
| Public works | 3,309,918 | 6,095,676 | 4,628,392 | 3,956,468 | 8,148,684 | 8,306,157 | 7,695,464 | 7,393,923 |
| Parks and recreation | 3,946,885 | 3,136,304 | 5,224,944 | 4,349,931 | 7,195,375 | 12,818,108 | 9,079,385 | 6,684,312 |
| Community development | 12,346,081 | 17,408,508 | 17,583,267 | 9,925,973 | 9,283,562 | 7,497,726 | 5,591,053 | 7,447,371 |
| Community service | 354,501 | 413,405 | 387,919 | 272,044 | 341,999 | 336,411 | 399,347 | 398,458 |
| Interest and fiscal changes | 675,902 | 593,219 | 1,144,069 | 1,283,108 | 1,318,996 | 1,515,177 | 1,549,738 | 1,166,548 |
| Total governmental activities expenses | 54,924,647 | 59,509,867 | 65,768,088 | 54,800,461 | 65,047,879 | 74,715,346 | 68,689,171 | 66,547,709 |
| Business-type activities: | | | | | | | | |
| Sanitary sewer | 11,940,921 | 11,520,444 | 11,449,170 | 13,561,191 | 13,400,852 | 13,503,253 | 14,402,906 | 14,569,098 |
| Solid waste | 6,333,690 | 6,158,567 | 6,223,987 | 7,002,226 | 7,473,428 | 8,206,745 | 8,499,616 | 8,092,385 |
| Airport | 1,292,206 | 1,197,088 | 1,602,919 | 1,764,616 | 1,557,618 | 2,195,398 | 2,415,280 | 2,626,279 |
| Public employee deposit | 15,025,032 | 15,330,991 | 13,934,182 | 15,186,576 | 17,909,891 | 19,935,572 | 13,042,126 | 12,036,183 |
| Transit | 2,749,749 | 3,108,171 | 2,649,153 | 3,029,095 | 3,185,794 | 3,435,890 | 2,902,980 | 3,092,032 |
| Civic Center | 1,605,582 | 1,469,785 | 1,500,860 | 1,617,272 | 1,702,874 | 1,807,638 | 1,603,124 | 1,913,705 |
| Municipal Auditorium | 302,700 | 216,235 | 213,443 | 182,094 | 154,036 | 160,829 | 192,119 | 161,184 |
| Total business-type activities expenses | 39,249,880 | 39,001,281 | 37,573,714 | 42,343,070 | 45,384,493 | 49,245,325 | 43,058,151 | 42,490,866 |
| Total primary government expenses | 94,174,527 | 98,511,148 | 103,341,802 | 97,143,531 | 110,432,372 | 123,960,671 | 111,747,322 | 109,038,575 |

**(Continued)**

# CITY OF ALBANY, GEORGIA

## CHANGES IN NET ASSETS
## LAST EIGHT FISCAL YEARS

| | Fiscal Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| **Program revenues** | | | | | | | | |
| Primary government: | | | | | | | | |
| Governmental activities: | | | | | | | | |
| Charges for services | | | | | | | | |
| General government | $ 7,614,709 | $ 2,673,068 | $ 2,523,557 | $ 2,339,933 | $ 2,349,462 | $ 2,676,493 | $ 2,466,315 | $ 2,415,222 |
| Judicial | 1,474,669 | 1,540,161 | 1,285,247 | 1,029,011 | 856,868 | 999,810 | 1,109,205 | 1,297,694 |
| Public safety | 2,391,922 | 1,468,067 | 1,747,826 | 1,517,385 | 1,538,804 | 1,691,284 | 1,715,042 | 1,731,747 |
| Public works | 1,045,966 | 1,080,248 | 1,401,512 | 1,242,302 | 2,105,018 | 806,260 | 792,786 | 940,648 |
| Parks and recreation | 358,926 | 131,136 | 326,707 | 362,668 | 454,975 | 437,344 | 335,993 | 290,619 |
| Community development | 3,845,280 | 3,482,564 | 8,938,601 | 2,377,746 | 2,055,849 | 2,961,169 | 481,049 | 1,403,145 |
| contributions | 10,687,430 | 12,845,939 | 14,014,169 | 14,311,112 | 13,729,819 | 15,310,571 | 18,090,264 | 21,613,472 |
| contributions | 3,616,653 | 13,489,455 | 6,734,862 | 4,171,793 | 2,569,404 | 15,916,286 | 2,033,058 | 14,719,811 |
| program revenues | 31,035,555 | 36,710,638 | 36,972,481 | 27,351,950 | 25,660,199 | 40,799,217 | 27,023,712 | 44,412,358 |
| Business-type activities: | | | | | | | | |
| Charges for services | | | | | | | | |
| Sanitary sewer | 11,451,610 | 11,909,095 | 12,545,688 | 13,902,053 | 14,321,155 | 15,184,281 | 15,111,550 | 14,725,910 |
| Solid waste | 6,518,902 | 6,732,636 | 7,312,754 | 7,775,530 | 8,271,443 | 8,262,522 | 8,412,723 | 8,844,741 |
| Airport | 639,012 | 688,356 | 728,848 | 713,386 | 757,547 | 812,117 | 728,191 | 878,643 |
| Public employee deposit | 13,908,768 | 15,321,954 | 13,946,036 | 15,179,150 | 17,868,487 | 19,927,744 | 13,034,004 | 12,042,502 |
| Transit | 362,131 | 416,702 | 397,778 | 417,598 | 436,988 | 429,695 | 495,279 | 476,251 |
| Civic Center | 383,252 | 453,616 | 376,832 | 419,460 | 446,822 | 282,776 | 255,803 | 404,489 |
| Municipal Auditorium | 48,583 | 35,561 | 33,719 | 34,693 | 26,732 | 42,388 | 52,565 | 61,862 |
| contributions | 802,838 | 2,729,182 | 1,086,587 | 3,035,050 | 2,027,577 | 2,321,938 | 1,678,305 | 1,175,803 |
| contributions | 9,672,557 | 1,741,879 | 525,111 | 477,633 | 9,076,175 | 5,818,085 | 2,872,902 | 3,114,877 |
| activities program revenues | 43,787,653 | 40,028,981 | 36,953,353 | 41,954,553 | 53,232,926 | 53,081,546 | 42,641,322 | 41,725,078 |
| program revenues | 74,823,208 | 76,739,619 | 73,925,834 | 69,306,503 | 78,893,125 | 93,880,763 | 69,665,034 | 86,137,436 |

**(Continued)**

# CITY OF ALBANY, GEORGIA

## CHANGES IN NET ASSETS
## LAST EIGHT FISCAL YEARS

| | Fiscal Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| **General revenues and other changes in net assets** | | | | | | | | |
| Primary government: | | | | | | | | |
| Governmental activities: | | | | | | | | |
| Taxes | $ 38,173,693 | $ 38,756,600 | $ 40,498,497 | $ 50,255,224 | $ 45,807,436 | $ 47,569,215 | $ 41,747,300 | $ 33,658,616 |
| Investment earnings | 268,969 | 261,691 | 933,302 | 1,591,370 | 2,135,978 | 2,255,534 | 1,163,072 | 874,098 |
| Gain on sale of assets | (2,579,721) | - | - | - | - | - | - | - |
| Transfers | (2,787,436) | (2,624,537) | (2,473,101) | (23,352,122) | (2,185,301) | (2,543,171) | (2,883,904) | 46,962 |
| activities general revenues and other changes in net assets | 33,075,505 | 36,393,754 | 38,958,698 | 28,494,472 | 45,758,113 | 47,281,578 | 40,026,468 | 34,579,676 |
| Business-type activities: | | | | | | | | |
| Investment earnings | 186,037 | 115,889 | 249,690 | 544,211 | 792,897 | 662,182 | 251,223 | 71,199 |
| Gain on sale of assets | 141,972 | 94 | - | - | - | - | - | - |
| Transfers | 2,787,436 | 2,624,537 | 2,473,101 | 23,352,122 | 2,185,301 | 2,543,171 | 2,883,904 | (46,962) |
| Total business-type activities general revenues and other changes in net assets | 3,115,445 | 2,740,520 | 2,722,791 | 23,896,333 | 2,978,198 | 3,205,353 | 3,135,127 | 24,237 |
| Total primary government general revenues and other changes in net assets | 36,190,950 | 39,134,274 | 41,681,489 | 52,390,805 | 48,736,311 | 50,486,931 | 43,161,595 | 34,603,913 |
| **Change in net assets** | | | | | | | | |
| Governmental activities | 9,186,413 | 13,594,525 | 10,163,091 | 1,045,961 | 6,370,433 | 13,365,449 | (1,638,991) | 12,444,325 |
| Business-type activities | 7,653,218 | 3,768,220 | 2,102,430 | 23,507,816 | 10,826,631 | 7,041,574 | 2,718,298 | (741,551) |
| Total primary government change in net assets | $ 16,839,631 | $ 17,362,745 | $ 12,265,521 | $ 24,553,777 | $ 17,197,064 | $ 20,407,023 | $ 1,079,307 | $ 11,702,774 |

**(Continued)**

# CITY OF ALBANY, GEORGIA

## CHANGES IN NET ASSETS
## LAST EIGHT FISCAL YEARS

**NOTES**

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

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

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

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

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

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

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

# CITY OF ALBANY, GEORGIA

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

| Fiscal Year | Property Tax | Sales Tax | Hotel Motel Tax | Franchise Tax | Insurance Premium Tax | Alcoholic Beverage Tax | Other Taxes | Total |
|---|---|---|---|---|---|---|---|---|
| 2003 | $ 14,407,467 | $ 16,357,288 | $ 692,898 | $ 1,992,530 | $ 3,083,865 | $ 1,330,767 | $ 308,878 | $ 38,173,693 |
| 2004 | 14,404,199 | 16,541,996 | 769,770 | 2,070,851 | 3,320,225 | 1,371,654 | 277,905 | 38,756,600 |
| 2005 | 14,194,137 | 18,272,298 | 843,973 | 2,010,343 | 3,596,638 | 1,381,630 | 199,478 | 40,498,497 |
| 2006 | 14,581,340 | 27,509,223 | 895,252 | 1,808,258 | 3,865,223 | 1,390,224 | 205,704 | 50,255,224 |
| 2007 | 14,794,429 | 23,014,619 | 1,307,342 | 2,169,665 | 4,042,768 | 1,402,865 | 170,946 | 46,902,634 |
| 2008 | 14,776,748 | 23,380,560 | 1,378,411 | 2,184,755 | 4,218,975 | 1,457,124 | 172,642 | 47,569,215 |
| 2009 | 13,964,606 | 18,269,427 | 1,311,461 | 2,272,999 | 4,323,680 | 1,433,699 | 171,428 | 41,747,300 |
| 2010 | 15,324,267 | 8,932,040 | 1,271,433 | 2,290,921 | 4,279,238 | 1,434,095 | 126,622 | 33,658,616 |

**NOTES**

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

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

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

# CITY OF ALBANY, GEORGIA

## FUND BALANCES OF GOVERNMENTAL FUNDS
## LAST EIGHT FISCAL YEARS

| | Fiscal Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Fund | | | | | | | | |
| Reserved | $ 341,529 | $ 2,114,167 | $ 1,336,545 | $ 354,352 | $ 318,989 | $ 395,504 | $ 573,383 | $ 287,634 |
| Unreserved | 11,633,185 | 12,459,929 | 16,311,481 | 21,337,958 | 23,946,604 | 22,117,285 | 18,627,452 | 22,402,480 |
| Total General Fund | $ 11,974,714 | $ 14,574,096 | $ 17,648,026 | $ 21,692,310 | $ 24,265,593 | $ 22,512,789 | $ 19,200,835 | $ 22,690,114 |
| All Other Governmental Funds | | | | | | | | |
| Reserved | $ 309,413 | $ 1,821,456 | $ 1,649,736 | $ 659,967 | $ 3,215,569 | $ 2,081,497 | $ 2,945,507 | $ 1,191,357 |
| Unreserved, reported in: | | | | | | | | |
| Special revenue funds | 3,551,701 | 7,061,448 | 2,737,210 | 3,876,252 | 5,274,345 | 5,513,089 | 5,676,146 | 5,663,995 |
| Capital projects funds | 971,397 | 830,905 | 10,535,048 | 19,760,677 | 25,588,135 | 25,705,739 | 18,333,452 | 22,374,566 |
| Total All Other Governmental Funds | $ 4,832,511 | $ 9,713,809 | $ 14,921,994 | $ 24,296,896 | $ 34,078,049 | $ 33,300,325 | $ 26,955,105 | $ 29,229,918 |
| Total Governmental Funds | | | | | | | | |
| Reserved | $ 650,942 | $ 3,935,623 | $ 2,986,281 | $ 1,014,319 | $ 3,534,558 | $ 2,477,001 | $ 3,518,890 | $ 1,478,991 |
| Unreserved | 16,156,283 | 20,352,282 | 29,583,739 | 44,974,887 | 54,809,084 | 53,336,113 | 42,637,050 | 50,441,041 |
| Total Governmental Funds | $ 16,807,225 | $ 24,287,905 | $ 32,570,020 | $ 45,989,206 | $ 58,343,642 | $ 55,813,114 | $ 46,155,940 | $ 51,920,032 |

**NOTES**

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

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

# CITY OF ALBANY, GEORGIA

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

| | Fiscal Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| **Revenues:** | | | | | | | | |
| Taxes | $ 38,173,693 | $ 38,756,600 | $ 40,498,497 | $ 50,255,224 | $ 46,608,379 | $ 47,271,610 | $ 41,461,664 | $ 33,346,229 |
| Licenses and permits | 2,401,566 | 2,364,806 | 2,456,898 | 2,318,314 | 2,320,724 | 2,434,916 | 2,258,362 | 2,171,589 |
| Intergovernmental | 14,304,083 | 25,019,912 | 20,749,032 | 18,482,905 | 16,299,223 | 16,756,831 | 20,123,322 | 36,333,283 |
| Charges for services | 2,626,567 | 2,400,419 | 2,927,843 | 2,074,804 | 2,146,007 | 2,324,102 | 2,233,114 | 2,966,563 |
| Fines and forfeitures | 1,486,248 | 1,425,568 | 1,143,169 | 917,565 | 776,268 | 901,009 | 1,025,445 | 1,191,454 |
| Rental and other fees | 105,422 | 308,479 | 394,162 | 415,623 | 339,325 | 297,605 | - | - |
| Interest revenues | 268,969 | 248,335 | 875,573 | 1,459,136 | 1,941,959 | 2,041,946 | 1,087,289 | 863,763 |
| Other revenues | 3,480,258 | 2,596,440 | 4,001,631 | 3,609,044 | 3,648,717 | 3,166,757 | 2,738,209 | 2,284,159 |
| Total revenues | 62,846,806 | 73,120,559 | 73,046,805 | 79,532,615 | 74,080,602 | 75,194,776 | 70,927,405 | 79,157,040 |
| **Expenditures:** | | | | | | | | |
| Current: | | | | | | | | |
| General government | 5,678,800 | 7,967,730 | 7,556,000 | 8,620,186 | 9,884,652 | 11,875,762 | 8,976,530 | 9,936,581 |
| Judicial | 620,677 | 551,910 | 523,917 | 690,775 | 855,330 | 907,934 | 986,359 | 1,056,504 |
| Public safety | 24,292,930 | 27,113,101 | 26,109,519 | 24,707,476 | 26,272,002 | 28,732,159 | 28,655,558 | 30,425,483 |
| Public works | 7,981,996 | 8,234,310 | 4,565,533 | 4,150,883 | 6,711,134 | 6,781,237 | 6,990,544 | 7,068,801 |
| Parks and recreation | 5,221,029 | 5,522,857 | 4,469,555 | 4,681,306 | 4,143,167 | 4,341,644 | 4,542,627 | 5,051,465 |
| Community development | 12,023,383 | 16,668,421 | 17,292,703 | 8,816,126 | 4,644,429 | 6,036,774 | 5,018,810 | 6,996,464 |
| Community service | 349,093 | 408,489 | 387,919 | 272,044 | 341,999 | 336,411 | 399,347 | 398,458 |
| Nondepartmental | 5,029,716 | - | - | - | - | - | - | - |
| Capital outlay | - | - | 6,296,112 | 8,322,946 | 18,478,624 | 13,814,675 | 11,114,264 | 9,636,181 |
| Debt service: | | | | | | | | |
| Principal | 2,055,618 | 2,458,334 | 1,395,000 | 3,145,000 | 1,430,000 | 1,450,000 | 6,000,000 | 6,205,000 |
| Interest and fiscal charges | 321,622 | 625,924 | 1,158,190 | 1,212,434 | 1,254,684 | 1,558,994 | 1,501,459 | 1,256,775 |
| Total expenditures | 63,574,864 | 69,551,076 | 69,754,448 | 64,619,176 | 74,016,021 | 75,835,590 | 74,185,498 | 78,031,712 |
| Excess of revenues over expenditures | (728,058) | 3,569,483 | 3,292,357 | 14,913,439 | 64,581 | (640,814) | (3,258,093) | 1,125,328 |

(Continued)

# CITY OF ALBANY, GEORGIA

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

| | Fiscal Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Other financing sources (uses) | | | | | | | | |
| Transfers in | $ 8,191,348 | $ 3,700,994 | $ 5,609,353 | $ 6,258,438 | $ 3,526,240 | $ 4,327,235 | $ 2,270,397 | $ 8,729,408 |
| Transfers out | (6,304,179) | (6,267,196) | (7,482,454) | (8,444,077) | (5,711,311) | (6,870,406) | (5,154,301) | (6,348,501) |
| Capital leases | 1,253,387 | 977,399 | - | - | - | - | - | - |
| Issuance of debt | 150,000 | 5,500,000 | - | - | 14,236,362 | - | - | - |
| Sale of capital assets | - | - | - | 691,386 | 455,206 | 653,457 | 206,758 | 546,340 |
| Total other financing sources (uses) | 3,290,556 | 3,911,197 | (1,873,101) | (1,494,253) | 12,506,497 | (1,889,714) | (2,677,146) | 2,927,247 |
| Net change in fund balances | $ 2,562,498 | $ 7,480,680 | $ 1,419,256 | $ 13,419,186 | $ 12,571,078 | $ (2,530,528) | $ (5,935,239) | $ 4,052,575 |
| Debt service as a percentage of noncapital expenditures | 3.74% | 4.43% | 4.03% | 7.29% | 4.29% | 4.34% | 11.08% | 10.52% |

**NOTES**

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

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

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

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

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

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

# CITY OF ALBANY, GEORGIA

## GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
## LAST EIGHT FISCAL YEARS
## (Modified Accrual Basis of Accounting)

| Fiscal Year | Property Tax | Sales Tax | Hotel Motel Tax | Franchise Tax | Insurance Premium Tax | Alcoholic Beverage Tax | Other Taxes | Total |
|---|---|---|---|---|---|---|---|---|
| 2003 | $ 14,407,467 | $ 16,357,288 | $ 692,898 | $ 1,992,530 | $ 3,083,865 | $ 1,330,767 | $ 308,878 | $ 38,173,693 |
| 2004 | 14,404,199 | 16,541,996 | 739,770 | 2,070,851 | 3,320,225 | 1,371,654 | 277,905 | 38,726,600 |
| 2005 | 14,194,137 | 18,272,298 | 843,973 | 2,010,343 | 3,596,638 | 1,381,630 | 199,478 | 40,498,497 |
| 2006 | 14,581,340 | 27,509,223 | 895,252 | 1,808,258 | 3,865,223 | 1,390,224 | 205,704 | 50,255,224 |
| 2007 | 14,794,429 | 23,014,619 | 1,307,342 | 2,169,665 | 4,042,768 | 1,402,864 | 197,673 | 46,929,360 |
| 2008 | 14,776,748 | 23,380,560 | 1,378,411 | 2,184,755 | 4,218,975 | 1,457,124 | 172,642 | 47,569,215 |
| 2009 | 13,964,606 | 18,269,427 | 1,311,461 | 2,272,999 | 4,323,680 | 1,433,699 | 171,428 | 41,747,300 |
| 2010 | 15,324,267 | 8,619,653 | 1,271,433 | 2,290,921 | 4,279,238 | 1,434,095 | 126,622 | 33,346,229 |

**NOTES**

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

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

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

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 intergovermental revenue.

# CITY OF ALBANY, GEORGIA

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

| | Real Property | | Personal Property | | | Total | | |
|---|---|---|---|---|---|---|---|---|
| Fiscal Year | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Exemptions | Assessed Value | Estimated Actual Value | Total Direct Tax Rate |
| 2001 | $ 851,080 | $ 2,127,700 | $ 493,593 | $ 1,233,984 | $ 89,732 | $ 1,254,941 | $ 3,137,353 | 9.80 |
| 2002 | 865,432 | 2,163,580 | 526,836 | 1,317,090 | 92,923 | 1,299,345 | 3,248,362 | 10.80 |
| 2003 | 930,781 | 2,326,953 | 498,843 | 1,247,108 | 88,159 | 1,341,465 | 3,353,663 | 10.80 |
| 2004 | 936,278 | 2,340,695 | 462,177 | 1,155,443 | 73,933 | 1,324,522 | 3,311,305 | 10.80 |
| 2005 | 950,163 | 2,375,408 | 456,120 | 1,140,300 | 82,598 | 1,323,685 | 3,309,213 | 10.80 |
| 2006 | 961,837 | 2,404,593 | 467,731 | 1,169,327 | 85,940 | 1,343,628 | 3,359,070 | 10.79 |
| 2007 | 981,349 | 2,453,374 | 466,890 | 1,167,227 | 99,744 | 1,348,495 | 3,620,601 | 10.78 |
| 2008 | 1,225,531 | 3,063,828 | 478,728 | 1,196,820 | 103,518 | 1,600,741 | 4,001,853 | 9.16 |
| 2009 | 1,218,665 | 3,046,663 | 501,002 | 1,252,505 | 110,843 | 1,608,824 | 4,022,060 | 9.16 |
| 2010 | 1,179,054 | 2,987,528 | 503,796 | 1,327,833 | 102,145 | 1,580,705 | 4,063,003 | 9.16 |

**SOURCE**

Dougherty County Tax Department

**NOTE**

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

# CITY OF ALBANY, GEORGIA

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

| | City of Albany Millage | | | Dougherty County Millage | | | Board of Education Millage | | | Other | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | Operating | Debt Service | Total City | Operating | Debt Service | Total County | Operating | Debt Service | Total School | (State of Georgia) | Total |
| 2001 | 9.800 | 0.000 | 9.800 | 11.100 | 0.000 | 11.100 | 17.700 | 0.000 | 17.700 | 0.25 | 38.850 |
| 2002 | 10.800 | 0.000 | 10.800 | 11.100 | 0.000 | 11.100 | 17.700 | 0.000 | 17.700 | 0.25 | 39.850 |
| 2003 | 10.800 | 0.000 | 10.800 | 10.658 | 0.000 | 10.658 | 17.550 | 0.000 | 17.550 | 0.25 | 39.258 |
| 2004 | 10.800 | 0.000 | 10.800 | 10.658 | 0.000 | 10.658 | 19.000 | 0.000 | 19.000 | 0.25 | 40.708 |
| 2005 | 10.800 | 0.000 | 10.800 | 13.158 | 0.000 | 13.158 | 19.000 | 0.000 | 19.000 | 0.25 | 43.208 |
| 2006 | 10.790 | 0.000 | 10.790 | 13.158 | 0.000 | 13.158 | 19.000 | 0.000 | 19.000 | 0.25 | 43.198 |
| 2007 | 10.777 | 0.000 | 10.777 | 13.147 | 0.000 | 13.147 | 18.984 | 0.000 | 18.984 | 0.25 | 43.158 |
| 2008 | 9.159 | 0.000 | 9.159 | 11.897 | 0.000 | 11.897 | 18.450 | 0.000 | 18.450 | 0.25 | 39.756 |
| 2009 | 9.157 | 0.000 | 9.157 | 11.894 | 0.000 | 11.894 | 18.445 | 0.000 | 18.445 | 0.25 | 39.746 |
| 2010 | 9.157 | 0.000 | 9.157 | 11.894 | 0.000 | 11.894 | 18.445 | 0.000 | 18.445 | 0.25 | 39.249 |

**SOURCE**

Dougherty County Tax Department

**NOTE**

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

# CITY OF ALBANY, GEORGIA

## TAXABLE SALES TAX DISTRIBUTION BY CATEGORY
## LAST SIX CALENDAR YEARS (1) (2)

| By Category | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 (3) | |
|---|---|---|---|---|---|---|---|
| Food | $ 3,148,127 | $ 3,463,700 | $ 3,802,908 | $ 3,923,148 | $ 3,677,474 | $ 1,351,385 | (3) |
| Apparel | 544,168 | 631,284 | 676,270 | 688,235 | 683,128 | 310,058 | (3) |
| General | 2,304,540 | 2,307,265 | 2,403,887 | 2,448,008 | 2,402,603 | 1,082,402 | (3) |
| Automotive | 2,898,682 | 2,811,281 | 2,916,549 | 3,030,301 | 3,377,416 | 974,961 | (3) |
| Home | 846,121 | 939,734 | 1,034,018 | 982,259 | 916,640 | 345,110 | (3) |
| Lumber | 1,193,728 | 1,226,793 | 1,264,403 | 1,237,612 | 1,078,029 | 317,181 | (3) |
| Miscellaneous Service | 829,754 | 842,618 | 924,728 | 930,366 | 1,006,135 | 375,623 | (3) |
| Manufacturers | 1,744,149 | 1,220,279 | 1,712,880 | 1,551,973 | 1,718,753 | 475,704 | (3) |
| Utilities | 1,311,603 | 1,339,453 | 1,517,393 | 1,480,452 | 1,594,512 | 555,468 | (3) |
| Miscellaneous | 1,676,383 | 1,800,816 | 1,864,146 | 1,997,795 | 1,619,727 | 452,693 | (3) |
| Acommodations | - | - | - | - | - | 151,098 | (4) |
| Auto | - | - | - | - | - | 947,706 | (4) |
| Construction | - | - | - | - | - | 56,446 | (4) |
| Food/bars | - | - | - | - | - | 1,789,221 | (4) |
| General Merch | - | - | - | - | - | 1,535,625 | (4) |
| Home Furnishing | - | - | - | - | - | 684,002 | (4) |
| Manufacturing | - | - | - | - | - | 255,361 | (4) |
| Miscellaneous Service | - | - | - | - | - | 615,245 | (4) |
| Other Retail | - | - | - | - | - | 1,161,684 | (4) |
| Other Services | - | - | - | - | - | 205,957 | (4) |
| Utility | - | - | - | - | - | 857,090 | (4) |
| Wholesale | - | - | - | - | - | 1,060,109 | (4) |
| | $ 16,497,255 | $ 16,583,223 | $ 18,117,182 | $ 18,270,149 | $ 18,074,417 | $ 15,560,129 | |

**Source:** Georgia Department of Revenue, Local Government Services Division

**Notes:**

(1) Only six years of data are available

(2) Information only available for Dougherty County

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

# CITY OF ALBANY, GEORGIA

## PRINCIPAL PROPERTY TAXPAYERS
## CURRENT YEAR AND NINE YEARS AGO

| | | Fiscal Year 2010 | | | Fiscal Year 2001 | | |
|---|---|---|---|---|---|---|---|
| Taxpayer | Type of Business | 2009 Assessed Valuation | Rank | Percentage of Total Assessed Valuation | 2000 Assessed Valuation | Rank | Percentage of Total Assessed Valuation |
| MillerCoors | Brewery | $ 53,481,660 | 1 | 3.32 % | $ 53,944,311 | 1 | 4.44 % |
| BellSouth | Utility | 19,689,654 | 2 | 1.22 | 23,016,499 | 3 | 1.90 |
| Palmyra Medical Center | Hospital | 15,610,112 | 3 | 0.97 | 10,225,961 | 4 | 0.81 |
| Aronov/Albany Mall LLC | Mall developer | 14,893,650 | 4 | 0.93 | 9,892,515 | 5 | 0.46 |
| M & M Mars - Div of Mars, Inc. | Confectioner | 14,455,405 | 5 | 0.90 | 23,059,706 | 2 | 1.89 |
| Flint River Services | Warehousing | 7,337,519 | 6 | 0.46 | - | | - |
| AllTel | 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 | - | | - |
| Sam's/WalMart Stores | Retailer | 6,096,579 | 10 | 0.38 | 8,916,266 | 6 | 0.73 |
| Carlton Company | Heavy equipment | - | | - | 7,959,928 | 7 | 0.66 |
| Georgia Power Company | Public Utility | - | | - | 5,662,935 | 8 | 0.47 |
| Coats and Clark | Textiles | - | | - | 5,561,920 | 9 | 0.84 |
| Flint River Textiles | Textiles | - | | - | 5,403,336 | 10 | 0.44 |
| | | $ 151,453,231 | | 9.41 % | $ 153,643,377 | | 12.64 % |

**SOURCE**
Dougherty County Tax Department

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

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

# CITY OF ALBANY, GEORGIA

## PROPERTY TAX LEVIES AND COLLECTIONS
## LAST TEN FISCAL YEARS
## (Dollar Amounts Expressed in Thousands)

| Fiscal Year | Total Tax Levy for Fiscal Year | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---|---|---|---|---|---|---|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2001 | $ 10,836 | $ 10,886 | 100.46 | $ 51 | $ 10,937 | 100.93 % |
| 2002 | 12,261 | 11,896 | 97.02 | 340 | 12,236 | 99.80 |
| 2003 | 12,750 | 11,616 | 91.11 | 1,113 | 12,729 | 99.84 |
| 2004 | 12,684 | 12,535 | 98.83 | 128 | 12,663 | 99.83 |
| 2005 | 12,736 | 12,505 | 98.19 | 222 | 12,727 | 99.93 |
| 2006 | 12,988 | 12,791 | 98.48 | 182 | 12,973 | 99.88 |
| 2007 | 13,077 | 12,901 | 98.65 | 157 | 13,058 | 99.85 |
| 2008 | 13,164 | 12,872 | 97.78 | 247 | 13,119 | 99.66 |
| 2009 | 13,400 | 12,329 | 92.01 | 1,020 | 13,349 | 99.62 |
| 2010 | 13,540 | 13,105 | 96.79 | - | 13,105 | 96.79 |

**SOURCE**
Dougherty County Tax Department

# CITY OF ALBANY, GEORGIA

## RATIO OF OUTSTANDING DEBT BY TYPE
## LAST EIGHT FISCAL YEARS

| | Governmental Activities | | | Business-Type Activities | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds | Certificates of Participation | Notes Payable | Revenue Bonds | Notes Payable | Capital Leases | Total Primary Government | Percentage of Personal Income | Per Capita |
| 2003 | $ 11,110,000 | $ 10,000,000 | $ 600,000 | $ 50,020,000 | $ 1,038,517 | $ 575,860 | $ 73,344,377 | 6.57% | $ 962.50 |
| 2004 | 9,815,000 | 10,000,000 | 6,050,000 | 48,160,000 | 862,359 | 481,862 | 75,369,221 | 6.92% | 988.41 |
| 2005 | 8,470,000 | 10,000,000 | 6,000,000 | 46,195,000 | 678,054 | 383,366 | 71,726,420 | 6.10% | 945.04 |
| 2006 | 5,975,000 | 10,000,000 | 5,350,000 | 44,115,000 | 485,189 | 280,156 | 66,205,345 | 4.44% | 878.81 |
| 2007 | 18,870,000 | 10,000,000 | 5,525,000 | 39,650,000 | 283,329 | 172,006 | 74,500,335 | 4.31% | 988.15 |
| 2008 | 17,720,000 | 10,000,000 | 5,225,000 | 39,110,000 | 120,054 | 58,681 | 72,233,735 | 2.43% | 952.64 |
| 2009 | 12,020,000 | 10,000,000 | 4,925,000 | 36,670,000 | 51,586 | - | 63,666,586 | 4.14% | 839.59 |
| 2010 | 6,425,330 | 10,000,000 | 4,625,000 | 34,145,000 | 10,421 | - | 55,205,751 | 3.59% | 728.01 |

**NOTES**

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

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

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

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

# CITY OF ALBANY, GEORGIA

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

| Fiscal Year | General Obligation Bonds | Less Amounts Available in Debt Service Fund | Total | Percentage of Estimated Actual Taxable Value of Property | Per Capita |
|---|---|---|---|---|---|
| 2001 | $ 12,380,000 | $ 1,699,702 | $ 10,680,298 | 0.34 % | $ 139 |
| 2002 | 11,905,000 | 64,305 | 11,840,695 | 0.36 | 155 |
| 2003 | 11,110,000 | 58,116 | 11,051,884 | 0.33 | 145 |
| 2004 | 9,815,000 | 69,253 | 9,745,747 | 0.29 | 128 |
| 2005 | 8,470,000 | 6,831 | 8,463,169 | 0.26 | 112 |
| 2006 | 5,975,000 | 6,851 | 5,968,149 | 0.18 | 79 |
| 2007 | 18,870,000 | 6,868 | 18,863,132 | 0.52 | 250 |
| 2008 | 17,720,000 | 6,782 | 17,713,218 | 0.44 | 234 |
| 2009 | 12,020,000 | 6,808 | 12,013,192 | 0.30 | 158 |
| 2010 | 6,425,330 | 6,811 | 6,418,519 | 0.16 | 85 |

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

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

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

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

# CITY OF ALBANY, GEORGIA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
## JUNE 30, 2010

| Jurisdiction | Net General Obligation Bond Debt Outstanding | Percentage Applicable to City of Albany | Amount Applicable to City of Albany |
|---|---|---|---|
| Direct, City of Albany | $ 6,425,330 | 100 % | $ 6,425,330 |
| Overlapping, Dougherty County Board of Education | 10,710,000 | 71 % | 7,604,100 |
| | $ 17,135,330 | | $ 14,029,430 |

**SOURCE**

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

**NOTE**

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

# CITY OF ALBANY, GEORGIA

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

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|
| **LEGAL DEBT MARGIN** | | | | | | | | | |
| Debt limit | $ 139,227 | $ 142,962 | $ 139,846 | $ 140,628 | $ 142,957 | $ 126,697 | $ 170,426 | $ 171,158 | $ 172,614 |
| Total net debt applicable to limit | 11,841 | 11,052 | 9,746 | 8,463 | 5,968 | 18,863 | 3,720 | 2,430 | 1,290 |
| Legal debt margin | $ 127,386 | $ 131,910 | $ 130,100 | $ 132,165 | $ 136,989 | $ 107,834 | $ 166,706 | $ 168,728 | $ 171,324 |
| Total net debt applicable to the limit as a percentage of debt limit | 8.50% | 7.73% | 6.97% | 6.02% | 4.17% | 14.89% | 2.18% | 1.42% | 0.75% |
| **LEGAL DEBT MARGIN CALCULATION** | | | | | | | | | |
| Assessed value | $ 1,299,345 | $ 1,341,465 | $ 1,324,522 | $ 1,323,685 | $ 1,343,628 | $ 99,744 | $ 1,600,741 | $ 1,608,824 | $ 1,625,201 |
| Add back exempt property | 92,923 | 88,159 | 73,933 | 82,598 | 85,940 | 1,167,227 | 103,518 | 110,843 | 100,943 |
| Total assessed value | 1,392,268 | 1,429,624 | 1,398,455 | 1,406,283 | 1,429,568 | 1,266,971 | 1,704,259 | 1,719,667 | 1,726,144 |
| Debt limit (10% of total assessed value) | 139,227 | 142,962 | 139,846 | 140,628 | 142,957 | 126,697 | 170,426 | 171,967 | 172,614 |
| Debt applicable to limit | | | | | | | | | |
| General obligation bonds | 11,905 | 11,110 | 9,815 | 8,470 | 5,975 | 18,870 | 17,720 | 12,020 | 6,425 |
| Less amount set aside for repayment of general obligation debt | (64) | (58) | (69) | (7) | (7) | (7) | (7) | (7) | (7) |
| Total net debt applicable to limit | 11,841 | 11,052 | 9,746 | 8,463 | 5,968 | 18,863 | 17,713 | 12,013 | 6,418 |
| Legal debt margin | $ 127,386 | $ 131,910 | $ 130,100 | $ 132,165 | $ 136,989 | $ 107,834 | $ 152,713 | $ 159,954 | $ 166,196 |

**NOTES**

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

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

# CITY OF ALBANY, GEORGIA

## PLEDGED REVENUE COVERAGE
## LAST TEN FISCAL YEARS

| Fiscal Year | Sewer Charges and Other | Less: Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|---|---|---|---|---|---|---|
| | | | | Principal | Interest | |
| 2001 | $ 10,794,856 | $ 5,403,121 | $ 5,391,735 | $ 1,295,000 | $ 2,092,910 | 1.59 |
| 2002 | 11,939,663 | 6,067,011 | 5,872,652 | 1,350,000 | 2,692,568 | 1.45 |
| 2003 | 11,510,470 | 6,253,648 | 5,256,822 | 1,420,000 | 1,575,161 | 1.76 |
| 2004 | 11,914,002 | 6,222,521 | 5,691,481 | 1,860,000 | 2,502,784 | 1.30 |
| 2005 | 12,681,971 | 6,255,038 | 6,426,933 | 1,965,000 | 2,417,461 | 1.47 |
| 2006 | 14,296,012 | 7,660,827 | 6,635,185 | 2,080,000 | 2,325,789 | 1.51 |
| 2007 | 14,953,008 | 7,484,658 | 7,468,350 | 2,170,000 | 2,449,322 | 1.62 |
| 2008 | 15,722,157 | 8,266,328 | 7,455,829 | 2,440,000 | 1,732,081 | 1.79 |
| 2009 | 15,247,206 | 8,266,328 | 6,980,878 | 2,440,000 | 1,632,087 | 1.71 |
| 2010 | 14,787,711 | 9,597,229 | 5,190,482 | 2,525,000 | 1,581,234 | 1.26 |

**NOTES**

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

Sewer Charges and Other includes investment earnings.

Operating expenses do not include depreciation and amortization.

# CITY OF ALBANY, GEORGIA

## DEMOGRAPHIC AND ECONOMIC STATISTICS
## LAST TEN FISCAL YEARS

| Fiscal Year | (1) Population | Personal Income (amounts expressed in thousands) | Per Capita Personal Income | Median Age (1) | Education Level in Years of Formal Schooling (1) | School (2) Enrollment | (%) Unemployment Rate (3) |
|---|---|---|---|---|---|---|---|
| 2001 | 76,939 | $ 1,702,045 | $ 22,122 (1) | 32.2 | 12.5 | 17,068 | 6.2 |
| 2002 | 76,271 | 971,921 | 12,743 (4) | 31.1 | 12.5 | 16,799 | 6.3 |
| 2003 | 76,202 | 1,116,283 | 14,649 (1) | 31.1 | 12.5 | 16,710 | 5.6 |
| 2004 | 76,253 | 1,089,808 | 14,292 (1) | 31.1 | 12.5 | 16,607 | 5.2 |
| 2005 | 75,898 | 1,175,281 | 15,485 (1) | 31.1 | 12.5 | 16,844 | 6.2 |
| 2006 | 75,335 | 1,491,558 | 19,799 (1) | 31.1 | 12.5 | 16,894 | 6.1 |
| 2007 | 75,394 | 1,728,030 | 22,920 (1) | 31.1 | 12.5 | 16,668 | 4.5 |
| 2008 | 75,825 | 2,971,354 | 39,187 (1) | 33.5 | 12.5 | 16,436 | 4.9 |
| 2009 | 75,831 | 1,538,156 | 20,284 (1) | 33.1 | 12.5 | 16,222 | 7.5 |
| 2010 | 75,831 | 1,538,156 | 20,284 (1) | 33.1 | 12.5 | 15,960 | 9.8 |

**SOURCES**

(1) Bureau of Census, Albany Dougherty Chamber of Commerce and Georgia Power Company

(2) Dougherty County Board of Education

(3) Bureau of Census/State of Georgia - Department of Human Resources

# CITY OF ALBANY, GEORGIA

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

| | Fiscal Year 2010 | | | Fiscal Year 2001 | | |
|---|---|---|---|---|---|---|
| Employer (1) | Employees (1) | Rank | Percentage of Total Taxable Assessed Value | Employees (1) | Rank | Percentage of Total Taxable Assessed Value |
| Phoebe Putney Hospital | 3,804 | 1 | 0.094 % | 3,015 | 2 | 0.096 % |
| USMC Logistic Base (Civilian) | 3,081 | 2 | 0.076 | 3,175 | 1 | 0.101 |
| Dougherty County Board of Education | 2,934 | 3 | 0.072 | 2,900 | 2 | 0.092 |
| Proctor and Gamble | 1,394 | 4 | 0.034 | 1,500 | 4 | 0.048 |
| City of Albany | 1,387 | 5 | 0.034 | 1,234 | 5 | 0.039 |
| Dougherty County | 669 | 6 | 0.016 | 1,200 | 6 | 0.038 |
| Miller Brewing Company | 650 | 7 | 0.016 | 650 | 7 | 0.021 |
| Albany State University | 550 | 8 | 0.014 | 680 | 8 | 0.022 |
| Teleperformance USA | 474 | 9 | 0.012 | - | | 0.000 |
| Palmyra Medical Center | 454 | 10 | 0.011 | - | | 0.000 |
| Bobs Candies | - | | - | 638 | 9 | 0.020 |
| M&M Mars - Div of Mars, Inc. | - | | - | 600 | 10 | 0.019 |
| Totals | 15,397 | | 0.38 % | 15,592 | | 0.50 |

**SOURCE**
(1) Albany Chamber of Commerce

# CITY OF ALBANY, GEORGIA

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

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|
| General government | 177 | 177 | 171 | 170 | 170 | 174 | 140 | 145 | 147 |
| Judicial | 6 | 6 | 6 | 8 | 11 | 11 | 11 | 12 | 12 |
| Public safety | 467 | 467 | 464 | 461 | 394 | 404 | 435 | 466 | 466 |
| Public works | 164 | 164 | 165 | 165 | 41 | 41 | 42 | 42 | 36 |
| Parks and recreation | 60 | 60 | 60 | 60 | 57 | 57 | 57 | 60 | 63 |
| Community development | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Sanitary sewer | 59 | 58 | 58 | 59 | 68 | 68 | 68 | 68 | 68 |
| Solid waste | 48 | 48 | 49 | 52 | 51 | 49 | 49 | 49 | 49 |
| Airport | 18 | 18 | 17 | 17 | 14 | 14 | 17 | 17 | 17 |
| Transit | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 30 | 30 |
| Civic Center | 16 | 16 | 16 | 16 | 15 | 16 | 16 | 17 | 17 |
| Auditorium | 1 | 1 | 1 | 1 | 1 | - | - | - | - |
| | 1,057 | 1,056 | 1,048 | 1,050 | 863 | 875 | 876 | 918 | 917 |

Source: City of Albany Budget Document

# CITY OF ALBANY, GEORGIA

## OPERATING INDICATORS BY FUNCTION
## LAST NINE FISCAL YEARS

| Function | Fiscal Year Ended June 30, 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|
| Sanitary sewer | | | | | | | | | |
| Average daily treatment (thousands of gallons) | 18,295 | 17,640 | 18,653 | 18,653 | 18,653 | 16,230 | 15,958 | 16,369 | 17,477 |
| Airport | | | | | | | | | |
| Number of daily flights | 8 | 8 | 8 | 8 | 8 | 8 | 4 | 3 | 3 |
| enplaned passengers | 34,336 | 35,920 | 35,461 | 39,954 | 39,954 | 37,109 | 40,835 | 35,128 | 33,164 |
| deplaned passengers | 34,534 | 35,094 | 34,044 | 38,156 | 38,156 | 35,829 | 39,226 | 34,499 | 32,668 |
| Number of based aircraft | 52 | 47 | 44 | 40 | 40 | 35 | 38 | 39 | 39 |
| Police | | | | | | | | | |
| Citations issued | 21,650 | 17,982 | 18,526 | 16,090 | 11,297 | 10,552 | 11,082 | N/A | N/A |
| DUI Citations issued | 287 | 269 | 193 | 139 | 96 | 228 | 153 | N/A | N/A |
| Warnings issued | 954 | 1,423 | 2,555 | 3,046 | 3,424 | 3,235 | 3,151 | N/A | N/A |
| Crime Statistics: | | | | | | | | | |
| Aggravated Assault | 231 | 233 | 250 | 252 | 284 | 341 | 389 | 573 | 465 |
| Auto Theft | 284 | 401 | 349 | 329 | 399 | 379 | 298 | 347 | 317 |
| Murder | 7 | 6 | 5 | 8 | 8 | 8 | 11 | 8 | 11 |
| Rape | 43 | 37 | 52 | 40 | 31 | 34 | 33 | 44 | 37 |
| Robbery | 210 | 261 | 217 | 216 | 242 | 205 | 207 | 247 | 230 |
| Burglary | 1,297 | 1,280 | 1,576 | 1,705 | 1,645 | 1,558 | 1,520 | 1,450 | 1,663 |
| Theft | 3,319 | 2,967 | 3,375 | 2,958 | 3,239 | 3,299 | 3,615 | 3,049 | 3,265 |
| Fire | | | | | | | | | |
| Incident responses | 3,434 | 1,587 | 2,959 | 3,141 | 2,779 | 3,706 | 3,511 | 2,234 | 3,588 |
| Public Safety Education | | | | | | | | | |
| Events | 87 | 65 | 73 | 52 | 81 | 61 | 103 | 1,264 | 172 |
| Persons contacted | 108,655 | 100,563 | 107,682 | 123,340 | 124,086 | 110,060 | 6,022 | 3,579 | 9,441 |

**SOURCE**
Various city departments

N/A - Information not available.

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

# CITY OF ALBANY, GEORGIA

## CAPITAL ASSET STATISTICS BY FUNCTION
## LAST NINE FISCAL YEARS

| Function | Fiscal Year Ended June 30, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Public Safety | | | | | | | | | |
| Police | | | | | | | | | |
| Fleet size | 185 | 186 | 186 | 170 | 170 | 170 | 170 | 170 | 171 |
| Fire stations | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Public Works | | | | | | | | | |
| Miles of streets | 430 | 568 | 568 | 559 | 559 | 559 | 559 | 559 | 559 |
| Number of street lights | 8,503 | 8,503 | 8,503 | 8,503 | 10,420 | 11,247 | 11,247 | 11,247 | 11,247 |
| Culture and Recreation | | | | | | | | | |
| Park acreage | 1,104 | 1,104 | 1,104 | 1,104 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 |
| Parks | 45 | 45 | 45 | 45 | 44 | 54 | 54 | 54 | 54 |
| Golf course | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Swimming pools | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Tennis courts | 17 | 17 | 17 | 17 | 20 | 22 | 22 | 22 | 22 |
| Sewerage System | | | | | | | | | |
| Miles of sanitary sewer | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| Miles of storm sewer | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 |
| Number of treatment plants | 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

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Albany, Georgia as of and for the year ended June 30, 2010, which collectively comprise the City of Albany, Georgia's basic financial statements and have issued our report thereon dated December 28, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned cost as item 2010-1 to be a material weakness.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2010-2, 2010-3, and 2010-4 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Albany, Georgia's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2010-3 and 2010-4.

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

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

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 21, 2010

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the City of Albany, Georgia's compliance with the types of compliance requirements described in *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Albany, Georgia's major federal programs for the year ended June 30, 2010. The City of Albany, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Albany, Georgia's management. Our responsibility is to express an opinion on the City of Albany, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Albany, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Albany, Georgia's compliance with those requirements.

In our opinion, the City of Albany, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2010-5 through 2010-8.

Internal Control Over Compliance

Management of the City of Albany, Georgia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Albany, Georgia's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Albany, Georgia's internal control over compliance.

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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2010-5 and 2010-6. 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.

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

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 21, 2010

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| Federal Grantor/ Pass-Through Program Title | Federal CFDA Number | Agency or Pass-through Grantor's Number | Federal Expenditures |
|---|---|---|---|
| **U.S. Department of Transportation** | | | |
| **Direct Awards** | | | |
| Federal Transit Cluster | 20.500 | MTG00-0140-00-001 | $ 60,937 |
| Federal Transit Cluster | 20.500 | MTG00-0142-00-001 | 322,589 |
| Federal Transit Cluster | 20.500 | MTG00-0145-00-001 | 252,438 |
| Federal Transit Cluster | 20.500 | MTG00-0148-00-001 | 1,114 |
| Federal Transit Cluster | 20.500 | MTG00-0148-00-002 | 133,492 |
| Federal Transit Cluster | 20.507 | MTG00-0148-00-015 | 815,359 |
| | | | 1,585,929 |
| DOT PL Funds | 20.505 | PL000-0009-00(232) | 155,165 |
| Planning Assistance Grant | 20.515 | MTG00-0146-00-004 | 17,661 |
| Planning Assistance Grant | 20.515 | MTG00-0146-00-004 | 30,350 |
| | | | 48,011 |
| Child Safety and Child Booster Seat Incentive | 20.613 | GA-2010-180-00397 | 27,683 |
| Total U.S. Department of Transportation | | | 1,816,788 |
| **Federal Aviation Administration** | | | |
| **Direct Awards** | | | |
| Airport Improvement Program | 20.106 | P#3-13-0002-28-2008 | 11,338 |
| Airport Improvement Program | 20.106 | P#3-13-0002-29-2008 | 364 |
| Airport Improvement Program | 20.106 | P#3-13-0002-30-2009 | 1,050,686 |
| Airport Improvement Program | 20.106 | P#3-13-0002-32-2009 | 707,817 |
| Airport Improvement Program | 20.106 | P#3-13-0002-35-2009 | 261,709 |
| Airport Improvement Program | 20.106 | P#3-13-0002-36-2010 | 22,262 |
| Airport Improvement Program | 20.106 | P#3-13-0002-37-2010 | 25,332 |
| Total Federal Aviation Administration | | | 2,079,508 |

**(Continued)**

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| Federal Grantor/ Pass-Through Program Title | Federal CFDA Number | Agency or Pass-through Grantor's Number | Federal Expenditures |
|---|---|---|---|
| **U.S. Department of Housing and Urban Development** | | | |
| **Direct Awards** | | | |
| Community Development Block Grant | 14.218 | B-08-MC-13-0001 | $ 735,546 |
| Community Development Block Grant | 14.218 | B-07-MC-13-0001 | 359,004 |
| ARRA - Community Development Block Grant-R | 14.218 | B-09-MY-13-0001 | 216,722 |
| | | | 1,311,272 |
| CDBG - State - Administered Small Cities Program Cluster | 14.228 | 08-NS-5072 | 277,831 |
| HUD-Home Partnership Investment Title II Program | 14.239 | M-09-MC-13-0205 | 265,206 |
| HUD-Home Partnership Investment Title II Program | 14.239 | M-08-MC-13-0205 | 2,435 |
| HUD-Home Partnership Investment Title II Program | 14.239 | M-05-MC-13-0205 | 97,341 |
| HUD-Home Partnership Investment Title II Program | 14.239 | M-04-MC-13-0205 | 239,811 |
| HUD-Home Partnership Investment Title II Program | 14.239 | M-03-MC-13-0205 | 93,679 |
| | | | 698,472 |
| Housing Counseling Grant | 14.169 | HC09-0421-059 | 33,296 |
| Housing Counseling Grant | 14.169 | HC08-0498-078 | 813 |
| | | | 34,109 |
| EDI - Special Project Grant | 14.246 | B-04-SP-GA-0196 | 11,632 |
| **Passed through State of Georgia** | | | |
| Supportive Housing Program | 14.235 | 2009 09E EO 09C010 | 29,913 |
| Supportive Housing Program | 14.235 | GA0054B4B010801 | 70,006 |
| Supportive Housing Program | 14.235 | GA0054B4B010802 | 52,272 |
| | | | 152,191 |
| Total U.S. Department of Housing and Urban Development | | | 2,485,507 |

**(Continued)**

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| Federal Grantor/ Pass-Through Program Title | Federal CFDA Number | Agency or Pass-through Grantor's Number | Federal Expenditures |
|---|---|---|---|
| **U.S. Department of Agriculture** | | | |
| **Direct Awards** | | | |
| Child Nutrition Cluster | 10.559 | S07-08002 | $ 48,168 |
| Child Nutrition Cluster | 10.559 | 08002 | 85,588 |
| Total U.S. Department of Agriculture | | | 133,756 |
| **U.S. Department of Justice** | | | |
| **Passed-Through State of Georgia** | | | |
| Bullet Proof Vest Grant | 16.607 | 2003-BU-BX-6439 | 11,250 |
| 2005 Justice Assistance | 16.738 | 2005-DJ-BX-1171 | 48,942 |
| 2006 Justice Assistance | 16.738 | 2006-DJ-BX-0619 | 6,826 |
| 2007 Justice Assistance | 16.738 | 2007-DJ-BX-0808 | 25,031 |
| 2008 Justice Assistance | 16.738 | 2008-DJ-BX-0272 | 16,134 |
| 2009 Justice Assistance | 16.738 | 2009--DJ-BX-0281 | 26,282 |
| ARRA 2009 Justice Assistance | 16.738 | 2009-SB-B9-0908 | 263,129 |
| | | | 386,344 |
| ARRA COPS Hiring Program | 16.710 | | 156,538 |
| Totally Teen Zone After-School Initiative | 16.541 | 2009-JL-FX-0245 | 23,282 |
| Total U.S. Department of Justice | | | 577,414 |
| **U.S. Department of Commerce** | | | |
| **Passed-Through State of Georgia** | | | |
| Public Works and Economic Development Cluster | 11.307 | 04-19-69032 | 1,013,192 |
| Total U.S. Department of Commerce | | | 1,013,192 |

**(Continued)**

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| Federal Grantor/ Pass-Through Program Title | Federal CFDA Number | Agency or Pass-through Grantor's Number | Federal Expenditures |
|---|---|---|---|
| **Corporation for National and Community Service** | | | |
| **Passed-Through State of Georgia** | | | |
| 2008-2009 Americorps | 94.006 | 06AFGA0010022 | $ 24,908 |
| 2009-2010 Americorps | 94.006 | 06AFGA0010024 | 91,281 |
| ARRA Georgia Recovery Corps | 94.006 | 09RFHGA0010002 | 65,293 |
| Total Corporation for National and Community Service | | | 181,482 |
| **Department of Energy** | | | |
| **Direct Awards** | | | |
| Weatherization | 81.042 | DOER-WX-DOE-2009/11-30 | 43,736 |
| ARRA Weatherization | 81.042 | DOER-ARRA-WX-DOE-2009/12-30 | 524,767 |
| Total U.S. Department of Energy | | | 568,503 |
| **Department of Health and Human Services** | | | |
| **Direct Awards** | | | |
| Weatherization | 93.568 | DOER-WX-HHS-2009/10-30 | 30,786 |
| Total U.S. Department of Health and Human Services | | | 30,786 |
| **Department of Homeland Security** | | | |
| **Direct Awards** | | | |
| Performance Partnership Agreement | 97.042 | P09-09-094 | 28,820 |
| Homeland Security Assistance to Firefighters | 97.044 | EMW-2008-FO-04076 | 68,926 |
| Homeland Security Cluster | 97.067 | 2008-GE-T8-0017 | 11,672 |
| **Passed-Through Georgia Emergency Management Agency** | | | |
| Legislative Pre-Disaster Mitigation Grant | 97.047 | LPDM-PJ-04-GA-2008-002 | 300,000 |
| Total U.S. Department of Homeland Security | | | 409,418 |

**(Continued)**

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| Federal Grantor/ Pass-Through Program Title | Federal CFDA Number | Agency or Pass-through Grantor's Number | Federal Expenditures |
|---|---|---|---|
| **Environmental Protection Agency** | | | |
| **Direct Awards** | | | |
| EPA Congressional Mandated Projects | 66.202 | XP-96474307-1 | $ 820,299 |
| Total Environmental Protection Agency | | | 820,299 |
| **Total Expenditures of Federal Awards** | | | $ 10,116,653 |

**See Notes to Schedule of Expenditures of Federal Awards**

# CITY OF ALBANY, GEORGIA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## FOR THE YEAR ENDED JUNE 30, 2010

### NOTE 1. BASIS OF PRESENTATION

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

### NOTE 2. SUBRECIPIENTS

During the fiscal year ended June 30, 2010, disbursements were made to sub-recipients of the following grant programs:

| Program | CFDA | Amount |
|---|---|---|
| Community Development Block Grant | 14.218 | $ 170,183 |
| EDI Special Project Grant | 14.246 | 10,000 |
| | | $ 180,183 |

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS
## FOR THE YEAR ENDED JUNE 30, 2010

### SECTION I
### SUMMARY OF AUDIT RESULTS

***Financial Statements***

| | |
|---|---|
| Type of auditor's report issued | Unqualified |
| Internal control over financial reporting: | |
| Material weaknesses identified? | _X_ yes ____ no |
| Significant deficiencies identified not considered to be material weaknesses? | _X_ yes ____ none reported |
| Noncompliance material to financial statements noted? | _X_ yes ____ no |

***Federal Awards***

| | |
|---|---|
| Internal Control over major programs: | |
| Material weaknesses identified? | ___ yes __X_no |
| Significant deficiencies identified not considered to be material weaknesses? | _X_ yes ____none reported |
| Type of auditor's report issued on compliance for major programs | Unqualified |

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS
## FOR THE YEAR ENDED JUNE 30, 2010

### SECTION I
### SUMMARY OF AUDIT RESULTS (Continued)

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)? __X__ yes ____ no

Identification of major program:

| CFDA Number | Name of Federal Program or Cluster |
|---|---|
| 20.500 and 20.507 | Transit Grant Cluster |
| 16.738 | Justice Assistance Grant Cluster |
| 16.710 | ARRA COPS Hiring Program |
| 14.218 | Community Development Block Grant |
| 94.006 | Americorps Cluster |
| 81.042 | Weatherization Cluster |
| 97.047 | Legislative Pre-Disaster Mitigation Grant |
| 66.202 | EPA Congressional Mandated Projects |
| 11.307 | Economic Development Revolving Loan Fund |

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee qualified as low-risk auditee? ____ yes __X__ no

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS
## FOR THE YEAR ENDED JUNE 30, 2010

### SECTION II
### FINANCIAL STATEMENT FINDINGS AND RESPONSES

**2010 - 1. Management of Accounts Receivable Accounts**

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

Condition: The City did not properly adjust accounts receivable in the Nonmajor Funds, as of June 30, 2010.

Effect: Adjustments to increase accounts receivable in the amount of $196,261, increase revenues in the amount $228,550, and increase expenditures in the amount $32,289 was required to be recorded in the Nonmajor Funds.

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

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

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

**2010 - 2. Recording Investment Activity**

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

### SECTION II
### FINANCIAL STATEMENT FINDINGS AND RESPONSES

**2010 - 2. Recording Investment Activity (Continued)**

Condition: We noted the City did not record interest activity in the General Fund or Nonmajor Funds during the fiscal year ended June 30, 2010.

Context: See above condition.

Effect: By not recording activity and performing reviews and reconciliations on a monthly basis, the City exposes itself to not being able to identify errors or irregularities in a timely manner. An adjustment to increase investments by $113,404 and increase interest revenue by the same amount was required to be recorded in the General Fund. An adjustment to decrease investments by $11,851, decrease interest expenditures by $493, and decrease interest revenue by $12,344 was required to be recorded in the Nonmajor Funds.

Cause: A lack of management oversight of the review and reconciliation process.

Recommendation: We recommend the City implement procedures whereby reconciliations of all investment accounts are reviewed on a regular basis to ensure all transactions are properly posted.

Views of Responsible Official and Planned Corrective Action: We concur. We will establish procedures to review all investment reconciliations to ensure all transactions are properly posted.

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS
## FOR THE YEAR ENDED JUNE 30, 2010

### SECTION II
### FINANCIAL STATEMENT FINDINGS AND RESPONSES

**2010 - 3. Undercollateralization of City Deposits**

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

Condition: For the year ended June 30, 2010, the City's deposits held at one financial institution were undercollateralized.

Context: See Criteria above.

Effect: City accounts were not adequately collateralized at one financial institution, allowing for the possibility of loss of assets if the financial institution were to become insolvent.

Cause: The financial institution has not appropriately collateralized all City deposits as of June 30, 2010.

Recommendation: We recommend the City periodically review a listing of all accounts opened under the City's federal identification number to determine that all are properly coded as public deposits. Additionally, the City should request from the financial institutions holding City deposits, a monthly pledging report to determine that each financial institution has pledged securities of not less than 110% of the deposited funds as required by Georgia law.

Views of Responsible Officials and Planned Corrective Action: We concur. This collateralization issue will be resolved for FY 2011. We will begin monitoring the pledging of collateral on a regular basis.

### SECTION II
### FINANCIAL STATEMENT FINDINGS AND RESPONSES

**2010 - 4. Special Revenue Fund Budgets**

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

Condition: For the fiscal year ending June 30, 2010, no annual budget was adopted for the Tax Allocation District Fund in accordance with the Official Code of Georgia (OCGA) Sections 36-81-2 through 36-81-6.

Context: See above condition.

Effect: By not adopting a budget for all of the required funds, the City is not in compliance with state law.

Cause: The City did not include the above fund in the budgeting process.

Recommendation: The City should adopt an annual balanced budget for each special revenue fund.

Views of Responsible Officials and Planned Corrective Action: We concur. A budget will be adopted for all required funds going forward.

# CITY OF ALBANY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS
## FOR THE YEAR ENDED JUNE 30, 2010

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

**2010 - 5. Failure to Comply with the Requirements of the Davis-Bacon Act**

Federal Program Information: CFDA No. 81.042, U.S. Department of Energy – Weatherization Cluster FY 2010
CFDA No. 97.047, U.S. Department of Homeland Security – Legislative Pre-Disaster Mitigation Grant FY2010
CFDA No. 66.202, Environmental Protection Agency – EPA Congressional Mandated Projects FY2010

Criteria: OMB Circular A-133 and the Single Audit Act require that any contract with contractors and subcontractors must include, either in the body of the contract or as a supplement or appendix to the contract, wording that indicates the contractor or subcontractor must comply with the requirements and regulations set forth in the Davis-Bacon Act. The Davis-Bacon Act stipulates that all contractors and subcontractors paid with Federal funds must (1) pay their employees no less than the prevailing wage rate (minimum wage) and (2) submit weekly certified payroll reports to the Grantee for review of compliance.

Condition: For the year ended June 30, 2010, construction contracts related to the above listed federal awards did not include, either in the body of the contract or as a supplement or appendix to the contract, wording that indicates the contractor or subcontractor must comply with the requirements and regulations set forth in the Davis-Bacon Act.

Context: See above condition.

Effect: Because the contracts with contractors and subcontractors do not adhere to the requirements of the Davis-Bacon Act, the City is not in compliance with the requirement.

Cause: The City did not include the requirement that contractors and subcontractors must comply with the Davis-Bacon Act as a part of its contracts with contractors and subcontractors.

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

**2010 - 5. Failure to Comply with the Requirements of the Davis-Bacon Act (Continued)**

Recommendation: We recommend the City include, either in the body of the contract or as a supplement or appendix to the contract, wording that indicates the contractor or subcontractor must adhere to the requirements of the Davis-Bacon Act.

Views of Responsible Officials and Planned Corrective Action: We concur. We will include the requirement, either in the body of the contract or as a supplement or appendix to the contract wording that indicates contractors and subcontractors must comply with the requirements of the Davis-Bacon Act.

**2010 - 6. Failure to Comply with the American Recovery and Reinvestment Act's Procurement Requirements**

Federal Program Information: CFDA No. 81.042
Weatherization Cluster
U.S. Department of Energy
Fiscal Year 2010

Criteria: The American Recovery and Reinvestment Act (ARRA) requirement related to Procurement, and adopted by the Department of Energy, prohibits the use of ARRA funds for a project for the construction, alteration, maintenance, or repair of a public building or work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States.

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

**2010 - 6. Failure to Comply with the American Recovery and Reinvestment Act's Procurement Requirements (Continued)**

Condition: For the year ended June 30, 2010, contracts with contractors and subcontractors did not include, either in the body of the contract or as a supplement or appendix to the contract, that the contractor or subcontractor must comply with the requirements and regulations set forth in the Procurement requirement for American Recovery and Reinvestment Act funds.

Context: See above condition.

Effect: Because the contracts with contractors and subcontractors do not contain the proper procurement requirement as set forth in the American Recovery and Reinvestment Act, the City is not in compliance with the requirement.

Cause: Contracts did not include the requirement of contractors and subcontractors to comply with the Procurement requirement related to American Recovery and Reinvestment Act funds.

Recommendation: We recommend the City include, either in the body of the contract or as a supplement or appendix to the contract, that the contractor or subcontractor adhere to the Procurement requirements of the American Recovery and Reinvestment Act.

Views of Responsible Officials and Planned Corrective Action: We concur. We will include the requirement, either in the body of the contract or as a supplement or appendix to the contract that our contractors and subcontractors comply with the Procurement requirements of the American Recovery and Reinvestment Act.

# CITY OF ALBANY, GEORGIA

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
## FOR THE YEAR ENDED JUNE 30, 2010

**2009 - 1. Management of Accounts Payable**

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

Condition: The City did not properly address the above criteria as of June 30, 2009 as it relates to accounts payable within the General Fund, SPLOST Fund and the Non-Major Funds.

Status: This finding was corrected during the fiscal year ended June 30, 2010.

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

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

Condition: The City did not properly adjust amounts due from component units in the General Fund, amounts due from other governments and due from component units in the Public Employee Deposit Fund, or assessments receivable in the Sanitary Sewer Fund, as of June 30, 2008.

Status: This item was corrected for the fiscal year ending June 30, 2010 with respect to component unit receivables. However, an additional finding was noted in the current year related to other accounts receivable. See 2010-1 in the current year Schedule of Findings and Questioned Costs.

# CITY OF ALBANY, GEORGIA

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
## FOR THE YEAR ENDED JUNE 30, 2010

**2009 - 3. Debt Transactions**

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

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

Status: This finding was corrected during the fiscal year ended June 30, 2010.

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

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

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

Status: This finding was corrected during the fiscal year ended June 30, 2010.

# CITY OF ALBANY, GEORGIA

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
## FOR THE YEAR ENDED JUNE 30, 2010

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

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

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

Status: This finding was corrected during the fiscal year ended June 30, 2010.

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

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

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

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

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

Status: This finding was corrected during the fiscal year ended June 30, 2010.

# SUPPLEMENTAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

# INDEPENDENT ACCOUNTANT'S REPORT ON LOCAL ASSISTANCE GRANTS

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

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Form about the City of Albany, Georgia's compliance during the fiscal year ended June 30, 2010, with the requirement to use grant proceeds solely for the purpose or purposes for which the grant was made for Local Assistance Grant #03-C-L-106. Management is responsible for the City of Albany, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about the City of Albany, Georgia's compliance based on our examination.

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

In our opinion, management's assertion that the City of Albany, Georgia complied with the aforementioned requirement for the fiscal year ended June 30, 2010, is fairly stated, in all material respects.

439 MULBERRY STREET • POST OFFICE BOX 1877 • MACON, GEORGIA 31202-1877 • 478-464-8000 • FAX 478-464-8051 • www.mjcpa.com
MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 21, 2010

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# STATE OF GEORGIA GRANT CERTIFICATION FORM

| | | |
|---|---|---|
| A | Local Government | **City of Albany** |
| B | Information for Year Ended | **June 30, 2010** |
| C | State Awarding Agency | **Georgia Dept. of Community Affairs** |
| D | Grant Identification Number | **03-C-L-106** |
| E | Grant Title | **Slater King Adult Day Care Center - Local Assistance Grant** |
| F | Grant Award Date | **July 1, 2002** |
| G | Grant Amount | **$20,000** |
| H | Balance - Prior Year (Cash or Accrued or Deferred Revenue) | **$20,000** |
| I | Grant Receipts or Revenue Recognized | **$ - 0 -** |
| J | Grant Disbursements or Expenditures | **$20,000** |
| K | Balance - Current Year (Cash or Accrued or Deferred Revenue) (Line H + Line I - Line J) | **$ - 0 -** |

**Certification of Local Government Officials**

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

Signature of Chief Elected Official _____ Date 12/21/10

Signature of Chief Financial Officer Yvonta M. Newton Date 12/21/10