

**CITY OF ALBANY  
CITY COUNCIL AGENDA  
STAFF REPORT**

Agenda Date: July 18, 2011  
Reviewed by: BP

**SUBJECT:** Unaudited Financial Statement, June 30, 2011

**REPORT BY:** Beth Pollard, City Manager  
Charles Adams, Finance and Administrative Services Director

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**STAFF RECOMMENDATION**

That Council accept the unaudited financial statement for the fiscal year ended June 30, 2011.

**BACKGROUND**

The accompanying financial statement of the City of Albany General Fund was compiled from the financial records maintained by the City's Finance Department. The statement reflects transactions completed during the fiscal year ended June 30, 2011, and the accrual of revenues and expenditures incurred during the fiscal year. This financial statement is a preliminary report, as all transactions requiring accrual have not yet been documented, and analyses of non-cash transactions have not been completed.

The City's Comprehensive Annual Financial Report, which contains the General Fund Statement, will be examined by independent auditors later this year. This audit may result in modification of the financial results reported in this preliminary, unaudited financial statement.

**DISCUSSION/ANALYSIS**

The City of Albany's net financial results for the fiscal year ended June 30, 2011 were in line with the adopted budget as amended in 2010. The bottom line in measuring the financial results of the General Fund for a city is the net increase or decrease to the fund balance from revenues, expenditures and transfers. The City's adopted budget projected a net increase to the fund balance of \$12,061. The actual (unaudited) net increase for the year was \$12,071.

Revenues for the year were \$13,106,590, a decrease of 2.2% from fiscal year 2009-10, and 3.4% under budgeted revenues. Seven of the ten categories of revenue sources were under budget, with the largest shortfall occurring in Other Taxes. This category was \$300,200 under budget, with property transfer taxes accounting for \$140,359 of the total. Fines and Forfeitures of \$190,000 were \$81,500 below the prior year, and \$95,000 under

budget. Service Charges of \$1,500,000 were \$50,000 greater than the prior year, but were \$71,660 under budget. Property taxes of \$4,993,000, the largest source of General Fund revenue, were \$18,000 greater than last year, but were \$69,000 under budget.

Expenditures for the year were \$16,332,817 an increase of 1.5% over fiscal year 2009-10, but were only 2.8% under budgeted expenditures. In dollars, expenditures were \$456,590 under budget, with staff compensation accounting for the majority of the budget savings.

Salaries were \$162,205 under budget. Factors contributing to the budget savings include the retirements of the Fire Chief and the City Clerk, and vacant positions in Police and Community Development.

Fringe Benefits were \$135,266 under budget. As with salaries, retirements of the Fire Chief and City Clerk and vacant positions were factors in the budget savings. The savings in fringe benefits from the retirements were proportionally greater than those in salaries, because fringe benefit costs were not incurred on the compensation paid to persons covering the duties of the retired employees.

Overtime cost were \$102,552 under budget, this was a 12.1% budget savings. The Police Department accounted for 32% of overtime costs and the Fire/EMS Department accounted for 67%. For both the Police and Fire Departments, a factor in the overtime savings was the lack of events requiring offers to work beyond their scheduled shifts and the temporary assignment of fire fighters to strike teams, requiring other fire fighters to work overtime to fill their regular shifts. Police overtime was down \$10,349 from the prior year, due as well to assertive management of overtime assignments; in addition to those savings, some overtime costs for certain special law enforcement activities were reimbursed by grants obtained by the department. Fire/EMS overtime was down \$56,198 from the prior year, but reimbursement for temporary fire fighter services was also down \$53,679.

Copies and Office Expenses of \$61,007 are shown as exceeding the budget by 140%, but the budget variance of \$35,607, includes election expense of \$26,687, which was budgeted as professional services. The matching of actual and budgeted election expense will be adjusted in the final audited financial statements.

Discretionary expenditures of \$100,385 were twice the budget of \$50,000. These expenditures were the City's share of termination expenses for the Associated Community Action Program (ACAP) which ceased operations during fiscal year 2010-11. Other expenses of \$216,816 exceeded budget by \$47,776, as a result of the accrual of \$46,154 ACAP termination expense anticipated to be paid in fiscal year 2011-12.

### **SUSTAINABILITY IMPACT**

Not applicable.

## **FINANCIAL IMPACT**

There no unanticipated financial impacts disclosed by the financial statement, and the City remains fiscally sound.

The final accounting for the fiscal year will be presented as part of the City's Comprehensive Annual Financial Report upon completion of the independent audit of the City's financial activities for the year.

### Attachment:

1. Statement of Revenues, Expenditures and Changes in Fund Balances