

City of Albany

California

Annual Comprehensive Financial Report



**For the Fiscal Year Ended
June 30, 2022**

CITY OF ALBANY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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SUPPLEMENTARY INFORMATION

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INTRODUCTORY SECTION

ALBANY CALIFORNIA



CITY OF ALBANY
1000 SAN PABLO AVENUE
ALBANY, CA 94706
www.AlbanyCA.org

Honorable Mayor and
Members of the City Council
City of Albany, California

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Albany for the fiscal year ended June 30, 2022. The information transmitted in this document is prepared in accordance with United States Generally Accepted Accounting Principles (GAAP), as established by the Governmental Accounting Standards Board (GASB).

The City is responsible for accurate and fair reporting concerning the finances of the City of Albany. Consequently, management staff assumes full responsibility for the completeness and reliability of the information presented in this report.

Chavan & Associates, a firm of licensed certified public accountants has audited the accompanying City of Albany financial statements. The goal of their independent audit was to provide reasonable assurance that the financial statements of the City of Albany, for the fiscal year ended June 30, 2022, are free of material misstatement. Their independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Albany's financial statements for the fiscal year ended June 30, 2022 are fairly presented in conformity with GAAP. The independent auditors' report is included in this Annual Comprehensive Financial Report.

This transmittal letter serves as an overview to assist readers with background information in reviewing the City's financial statements. This includes a brief overview of the economic conditions impacting the City. For a more detailed discussion of the financial statements, readers are directed to the information presented in a separate narrative section comprised of Management's Discussion and Analysis (MD&A). The MD&A provides financial highlights and comparisons and information on certain trends based on information in the financial statements.

PROFILE OF THE CITY

The City of Albany lies in the northwestern corner of Alameda County, on the north side it is bordered by the cities of El Cerrito and Richmond (which are located in Contra Costa County) and to both the east and south is the City of Berkeley. The most distinguishing geographical feature in the city is Albany Hill, which anchors the northwest corner of the city. The City was incorporated in 1908 as the City of Ocean View, but the name was changed to Albany in 1909. In 1927 the City adopted its first charter, giving the City full control over its own affairs as long as there are no conflict with state or federal laws.

The City limits cover approximately 1.7 square miles including shoreline areas along the San Francisco Bay. The California State Department of Finance estimated Albany's population as of January 1, 2022 at 21,648.

The City is governed by a five-member City Council who annually elects a council member to serve as Mayor. Council members serve four-year staggered terms. A City Manager is appointed by the Council to carry out the policies and ordinances of the Council and to supervise the daily activities of City employees.

GENERAL GOVERNMENT FUNCTIONS

The City provides a full range of services including police and fire protection, paramedic service, street and sanitary sewer maintenance, recreational activities and cultural events. The City owns the building which houses a branch library in the Alameda County Library system, and the City financially supplements the operations of the Library through two parcel taxes. The current full-time City Staffing is comprised of just over 105 positions.

Current City services include the following functions: City Manager and Administration; City Clerk; City Attorney (an appointed, contract position); Human Resources; Finance and Administrative Services; Police; Fire & Emergency Medical Services (EMS); Recreation; Community Development (including land-use planning and building regulation); and Public Works (including street maintenance; park maintenance; storm and sanitary sewer maintenance; and engineering).

ECONOMIC CONDITIONS AND OUTLOOK

The City of Albany is a full-service city, responsible for providing most of the essential services required by its citizens. The City's ability to provide high level of services to its citizens is dependent upon a stable revenue stream and consistent revenue growth over time. While the City's economic health is tied to the State and the Nation's economy, the economic fluctuations for the City were moderate prior to the Covid-19 pandemic which has brought uncertainty across the nation. Staff have been in constant communication with Council regarding Covid's effects on the City's expenses and revenues. The pandemic is an ongoing concern that staff continue to monitor and address with Council at regular intervals going forward.

In general, the City's major revenues include property taxes, sales taxes, and various other taxes. The growth of these tax revenues depends on the wellbeing of the overall economy. The pandemic has affected each revenue source in different ways. However, the pandemic did not affect the City's revenues as significantly as anticipated, providing for a year end surplus.

Property tax has consistently been the City's largest revenue source representing 35% of General Fund Revenue and has increased during the pandemic due to property transfers and renovations. Given that most parcels in the City are residential uses, increased revenue is impacted by the sale prices, which have been increasing in recent years. Taxable property values have continued to increase from fiscal year 2021 to fiscal year 2022 and are projected to increase again in the next fiscal year.

Employers within the City include both industrial and nonindustrial, service industries and retail outlets. Among the largest employers are government agencies which include the Albany Unified School District; the United States Department of Agriculture; and the City itself. As seen across the country, overall employment in the region has decreased due to the Covid-19 pandemic and businesses have seen a loss in revenue, or shut down all together. These economic factors have the largest effect on the City's sales tax collections. Collections were stagnant over the past two years but are anticipated to start increasing gradually.

FINANCIAL PLANNING AND POLICIES

Approximately every two years, the City Council creates its vision for the City government as part of a Strategic Planning process. The City Council identifies goals and objectives, which are then integrated into a two-year budget document. This approach is helpful in allowing for a process that considers a longer time horizon than just a single year focus. The Budget document forecasts a two-year time horizon with mid cycle adjustments

made when necessary, based upon actual performance. Fiscal Year 2022 was the first year in the biennial budget which was adopted by Council in June 2021 and extends through June 30, 2023.

The City Council examines Capital Improvement Projects over a five-year timeframe and formally adopts a Capital Improvement Plan. The City has used a variety of revenue sources including grant funding and locally generated fees and taxes to address capital needs. Efforts are made to also prioritize the capital projects based upon links to the strategic plan and goals established by the City Council.

A third part of the City's financial planning strategy is looking at longer term obligations outside of the Capital Improvement Plan. This includes repair and replacement of assets such as vehicles and equipment, unfunded pension obligations, and outstanding debt service. The Albany City Council has adopted several financial policies over the last five years and staff continuously monitor for additional long-term policies that assist staff and Council in planning. Outstanding debt service has been steadily decreasing as the City has taken out little new debt since the issuance of General Obligation Bonds in 2007. Pensions continue to be a concern for cities across the Country. Albany has been working to make additional contributions, when able, to pay down this liability and staff continue to monitor outstanding pension obligations and keep Council up to date on any changes implemented by CalPERS.

ACKNOWLEDGEMENTS


Although preparation of the Annual Comprehensive Financial Report is finalized by Finance and Administrative Services staff members, it could not be accomplished without contributions from Staff in each department.

Staff appreciates the City's independent auditors, Chavan & Associates, Certified Public Accountants. Their efforts and suggestions were instrumental in providing the report.

The Albany City Council should also be commended for their continued support of resources to ensure the public they serve are provided a thorough record of financial information.

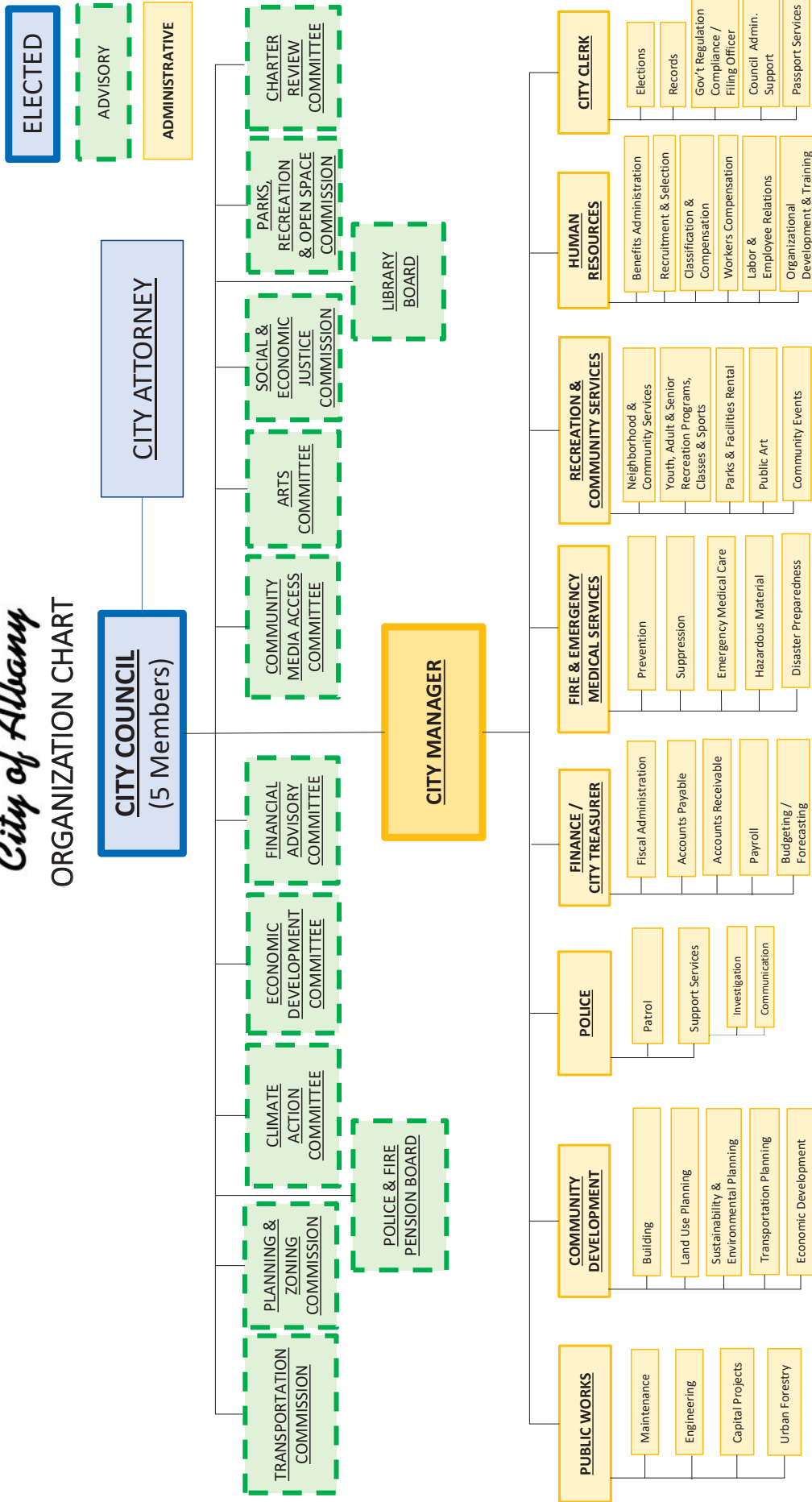
Respectfully submitted,


Nicole Almaguer
City Manager


Heather Rowden
Finance and Administrative Services Director

City of Albany

ORGANIZATION CHART



City of Albany Principal Officers June 30, 2022

City Council

Mayor	Preston Jordan
Vice Mayor	Aaron Tiedemann
Councilmember	Peggy McQuaid
Councilmember	Rochelle Nason
Councilmember	Ge'Nell Gary

Appointed Department Directors

City Manager	Nicole Almaguer
Finance Director	Heather Rowden
City Attorney	Malathy Subramanian
Human Resources Director	Penny Ha
City Clerk	Anne Hsu
Community Development Director	Jeff Bond
Recreation Dir./Asst. City Manage	Isabelle Leduc
Fire Chief	James Boito
Chief of Police	John Geissberger
Public Works Director	Mark Hurley

City of Albany



INDICATES COMMERCIAL AREA



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the
City Council of the City of Albany
Albany, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Albany (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Albany, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAGAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with



Chavan and Associates, LLP

Certified Public Accountants

management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining individual non-major fund schedules, statistical data, and other information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

C & A LLP

February 23, 2023
Morgan Hill, California

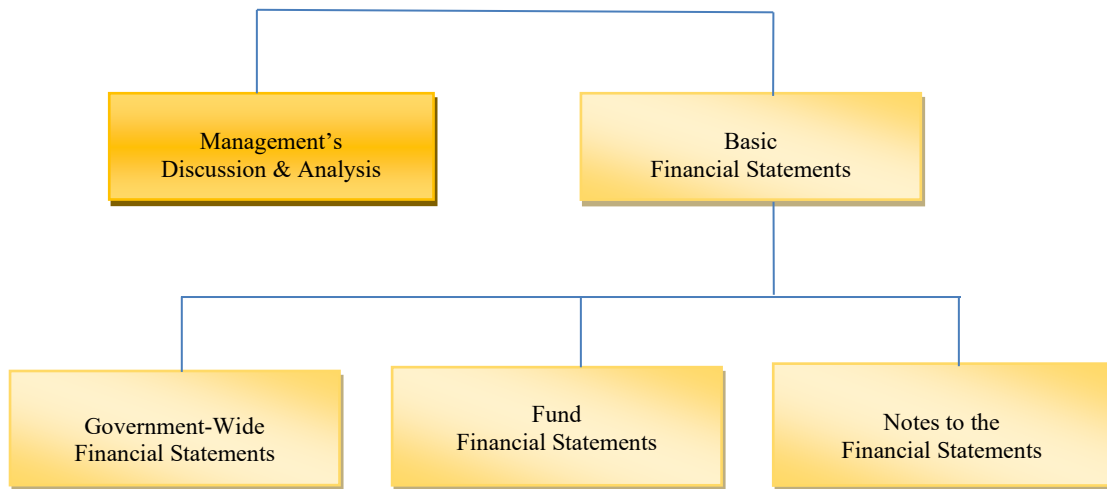


**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

INTRODUCTION

As management of the City of Albany, we offer readers of the City’s financial statements this narrative overview and analysis of financial activities of the City of Albany, for the fiscal year that ended on June 30, 2022. We encourage readers to consider the information presented here, in conjunction with additional information that we have furnished in our letter of transmittal. This information can be found on pages 1-3 of this report. The required components of the report are listed below.

Required Components of the Annual Financial Report



FISCAL YEAR 2021/22 FINANCIAL HIGHLIGHTS

Government-Wide Highlights

- The assets and deferred outflows of resources for the City of Albany exceeded the liabilities at the close of the most recent fiscal year by \$62 million (net position). Of the net position, \$64 million was classified as net investment in capital assets; \$21 million recorded as restricted funds; and \$23 million categorized as a deficit unrestricted net position (negative net position). The negative unrestricted net position is largely due to *GASB 68 – Accounting and Financial Reporting for Pensions*. This standard required local governments to record pension liabilities on the government-wide financial statements.
- The City’s net position increased by \$6 million. This included a \$4 million increase in the net position of Governmental Activities and a \$2 million increase in the net position of Business-Type Activities.
- City revenues increased by \$3.1 million, or 8%, when compared to the prior year. This increase is primarily related to increased operating grants of \$1.9 million and property taxes of \$1.8 million. Expenses decreased by \$3 million, or 8%, with approximately \$5 million related to decreases in police and fire costs.

- Deferred outflows of resources decreased by \$379,358, while deferred inflows of resources increased by \$15 million. This was primarily related to pension liability adjustments identified in the City's actuarial reports, which include differences between expected and actual earnings; expected and actual experiences; and changes in proportional allocations. The City's pension liability in accordance with GASB 68 as of June 30, 2022 was \$29 million, while the total OPEB liability for the fiscal year ending June 30, 2022 was \$4.4 million.
- The City's long-term debt decreased by \$751,702, or 4%, in Fiscal Year 21/22 primarily from debt service payments made during the year.
- The City's net capital assets increased by \$216,609, or less than 1%, primarily as a result of construction projects and new purchases, offset by depreciation.

Fund Highlights

- At the close of Fiscal Year 21/22 the City of Albany's *Governmental Funds* reported a combined fund balance of \$35 million, which represents an increase of \$4.6 million in comparison with the prior year. Approximately 25%, or \$8.9 million, was classified as unassigned fund balance and is available for spending in coordination with the City's General Fund Reserve Policy.
- At the end of the current fiscal year, the *General Fund's* unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) was \$10.4 million, or 36% of total general fund expenditures, prior to transfers. The General Fund's unassigned fund balance was \$8.8 million or 39% of total general fund expenditures, prior to transfers. This percentage is above the City's policy level which targets a minimum unassigned fund balance at 25% of operating expenditures.
- The *General Fund* balance increased by approximately \$1.5 million at the close of the fiscal year. This included an excess of operating expenditures over revenues of \$2.4 million, before an additional \$3.4 million in net transfers and beginning fund balance adjustments of \$2,565.
- *General Fund* revenues and expenditures increased from the prior year by \$2.3 million and \$2.5 million, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City of Albany's financial statements. The City of Albany's basic financial statements are comprised of (1) Government-Wide Financial Statements (2) Fund Financial Statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City of Albany's finances, in a manner similar to a private-sector business. Government-Wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole. Government-Wide Financial Statements consist of the *Statement of Net Position* and the *Statement of Activities*.

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

The *Statement of Activities* presents information showing how the City of Albany's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This is consistent with a full accrual concept, which may result in the reporting of revenues and expenses in the current fiscal year, with cash flows occurring in future fiscal periods (e.g. uncollected revenues; and earned but not used vacation leave).

Both of the Government-Wide Financial Statements distinguish functions of the City of Albany that are principally supported by taxes and intergovernmental revenues (*governmental 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*). An overview of the City's functions associated with each classification is listed below.

Governmental Activities – All of the City's basic services are considered to be governmental activities. This includes general government, police, fire and EMS, recreation, and community development. These services are supported by general City revenues such as taxes, and by specific program revenues such as development and recreation program fees.

Business-Type Activities – The City's only enterprise activity is sewer operations. Unlike governmental activities, these services are fully supported by charges paid by users based on the amount of services they use.

The Government-Wide Financial Statements can be found on pages 28-29 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund financial statements provide detailed information about each of the City's most significant funds, called major funds. Major funds are presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present the detail of these non-major funds. Major funds present the major activities of the City for the fiscal year, and may change from year to year as a result of changes in the pattern of the City's activities. The City's funds are segregated into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same function reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds 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. This represents a modified accrual basis of accounting, with capital assets, long-lived assets, and long-term liabilities excluded from the financial statements. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Street & Storm Fund. These funds are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Albany adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 31-33 of this report.

Proprietary Funds

The City of Albany has one *Enterprise Fund* that is a proprietary funds: Sewer Fund. *Enterprise funds* provide the same type of information as business-type activities in the government-wide statements.

Proprietary funds provide the same type of information as the Government-Wide Financial Statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer

operations, which is considered major funds for the City of Albany. The basic proprietary fund financial statements can be found on pages 36-38 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reported in the Government-Wide Financial Statements because the resources of these funds are not available to support the City of Albany's own programs. The accounting for fiduciary funds is much like that used for business-type activities. The City maintains a pension trust fund for its Police and Fire Pension Trust account, and two custodial funds to report activities related to the Codornices Creek account and the 1996-1 Assessment District Bond.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the 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 can be found immediately following the Fund Financial Statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City of Albany's funding progress for its employee pension and Other Post Employment Benefit (OPEB) obligations. The required supplementary information can be found on pages 82-87 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, net position may serve as an indicator of a government's financial position. In the case of the City of Albany, assets and deferred outflows of resources exceeded liabilities by \$62 million at the close of Fiscal Year 21/22. This represents an increase of \$5.9 million over the prior year.

The following table summarizes the City's ending net position:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 40,709,662	\$ 35,924,427	\$ 6,163,947	\$ 6,404,089	\$ 46,873,609	\$ 42,328,516
Capital assets	53,158,307	54,393,587	31,052,250	29,600,361	84,210,557	83,993,948
Total Assets	<u>\$ 93,867,969</u>	<u>\$ 90,318,014</u>	<u>\$ 37,216,197</u>	<u>\$ 36,004,450</u>	<u>\$ 131,084,166</u>	<u>\$ 126,322,464</u>
Deferred Outflows of Resources	<u>\$ 10,968,133</u>	<u>\$ 11,347,491</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,968,133</u>	<u>\$ 11,347,491</u>
Liabilities						
Current and other liabilities	\$ 7,530,308	\$ 7,582,287	\$ 785,383	\$ 796,111	\$ 8,315,691	\$ 8,378,398
Noncurrent liabilities	50,530,442	66,214,708	2,736,100	3,345,738	53,266,542	69,560,446
Total Liabilities	<u>\$ 58,060,750</u>	<u>\$ 73,796,995</u>	<u>\$ 3,521,483</u>	<u>\$ 4,141,849</u>	<u>\$ 61,582,233</u>	<u>\$ 77,938,844</u>
Deferred Inflows of Resources	<u>\$ 18,481,106</u>	<u>\$ 3,647,402</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,481,106</u>	<u>\$ 3,647,402</u>
Net Position						
Net investment in capital assets	\$ 36,275,403	\$ 37,380,868	\$ 27,706,512	\$ 25,656,689	\$ 63,981,915	\$ 63,037,557
Restricted	21,331,504	18,618,011	-	-	21,331,504	18,618,011
Unrestricted	(29,312,661)	(31,777,771)	5,988,202	6,205,912	(23,324,459)	(25,571,859)
Total Net Position	<u>\$ 28,294,246</u>	<u>\$ 24,221,108</u>	<u>\$ 33,694,714</u>	<u>\$ 31,862,601</u>	<u>\$ 61,988,960</u>	<u>\$ 56,083,709</u>

A significant portion, or \$64 million, of the City's net position reflects its investment in capital assets, (e.g., land, buildings, general government infrastructure, equipment, etc.), less accumulated depreciation and any outstanding debt that was used to acquire or construct those assets. Capital assets represent infrastructure which provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities.

The \$21 million amount classified as Restricted Net Position, represents resources that are subject to external restrictions on how they may be used. These amounts are restricted by external creditors, grantors, contributors, or laws or regulations of other governments. Complete details of each fund can be found in the fund descriptions.

The remaining deficit balance of \$23.3 million is classified as unrestricted. This negative unrestricted balance is largely due to the implementation of *GASB 68 – Accounting and Financial Reporting for Pensions*. The City participates in the CalPERS Miscellaneous and Safety pension plans. This pronouncement requires that local governments report a proportional share of their pension plan's net pension liabilities on financial statements. In Fiscal Year 21/22, the City's proportionate share of the CalPERS pension liability was \$29 million. An additional contributing factor to the deficit balance, includes the implementation of *GASB 75*

– *Accounting and Financial Reporting for OPEB*. This pronouncement requires local governments to report OPEB liabilities on financial statements. The City's OPEB liability for Fiscal Year 21/22 is \$4.4 million. See notes 9 and 10 for detailed information related to the plans, along with the required supplementary information section of this report.

At the end of the current fiscal year, the City of Albany is able to report a positive balance for the government as a whole. The reasons for the overall financial changes are discussed in the following sections for governmental and business-type activities.

Governmental and Business-Type Activities

As shown in the *Statement of Changes in Net Position* schedule, the net position for Governmental Activities increased from \$24.2 million in the prior year to \$28.3 million in the current fiscal year. This decrease is largely due to decreases in pension and OPEB liabilities.

The net position for business-type activities increased from \$31.9 million to \$33.7 million in the current fiscal year. This \$1.8 million increase is due to increased Charges for Services that outpaced expenses which decreased by \$35,953. In Fiscal Year 21/22, the City's total revenues were \$42.4 million and total expenses at \$35 million. The combined increase in net position of \$5.9 million includes a net operating difference of \$7.4 million.

An analysis of the changes in revenues and expenses by type of significant events follows:

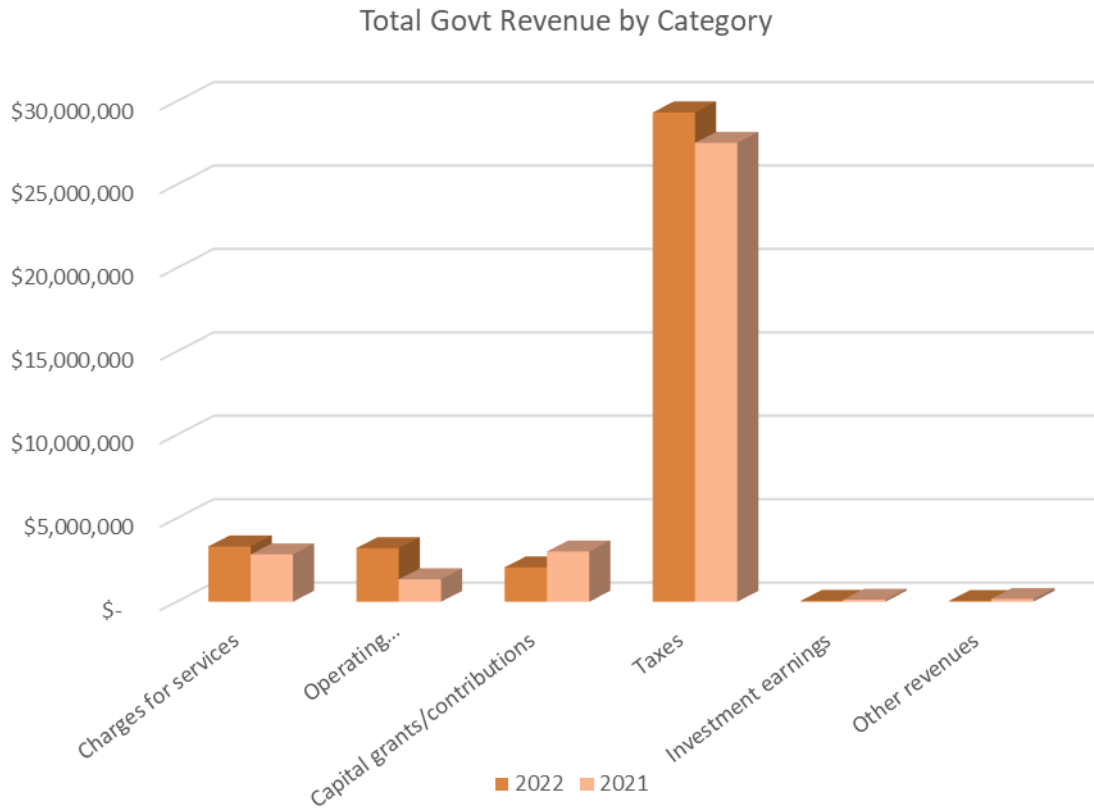
Table 2 - Statement of Changes in Net Position

Functions/Programs	Governmental Activities		Increase (Decrease)	Business-Type Activities		Increase (Decrease)
	2022	2021		2022	2021	
Program Revenues						
Charges for services	\$ 3,316,888	\$ 2,838,386	\$ 478,502	\$ 4,357,794	\$ 4,213,592	\$ 144,202
Operating grants and contributions	3,215,221	1,349,069	1,866,152	-	-	-
Capital grants and contributions	2,062,499	3,012,048	(949,549)	-	-	-
Total Program Revenues	8,594,608	7,199,503	1,395,105	4,357,794	4,213,592	144,202
General Revenues						
Taxes	29,335,667	27,506,715	1,828,952	-	-	-
Investment earnings	53,931	121,634	(67,703)	14,005	49,958	(35,953)
Other revenues	46,596	170,402	(123,806)	-	-	-
Total General Revenues	29,436,194	27,798,751	1,637,443	14,005	49,958	(35,953)
Expenses						
General government	10,291,783	10,413,511	(121,728)	-	-	-
Police	7,048,914	9,479,930	(2,431,016)	-	-	-
Fire and emergency medical services	5,687,456	8,228,297	(2,540,841)	-	-	-
Community dev. and environmental services	5,284,453	5,273,833	10,620	-	-	-
Recreation and community services	3,627,640	2,476,014	1,151,626	-	-	-
Interest and fiscal charges	516,411	536,133	(19,722)	-	-	-
Sewer operating	-	-	-	2,539,686	1,703,359	836,327
Total Expenses	32,456,657	36,407,718	(3,951,061)	2,539,686	1,703,359	836,327
Increase / (Decrease) in Net Position	5,574,145	(1,409,464)	6,983,609	1,832,113	2,560,191	(728,078)
Prior Period Adjustments	(1,501,007)	(176,049)	(1,324,958)	-	-	-
Net Position, Beginning of Year	24,221,108	25,806,621	(1,585,513)	31,862,601	29,302,410	2,560,191
Net Position, End of Year	\$28,294,246	\$24,221,108	\$4,073,138	\$33,694,714	\$31,862,601	\$1,832,113

Governmental Activities

Governmental Revenues

The following chart summarizes the changes in revenues by category during Fiscal Year 21/22:

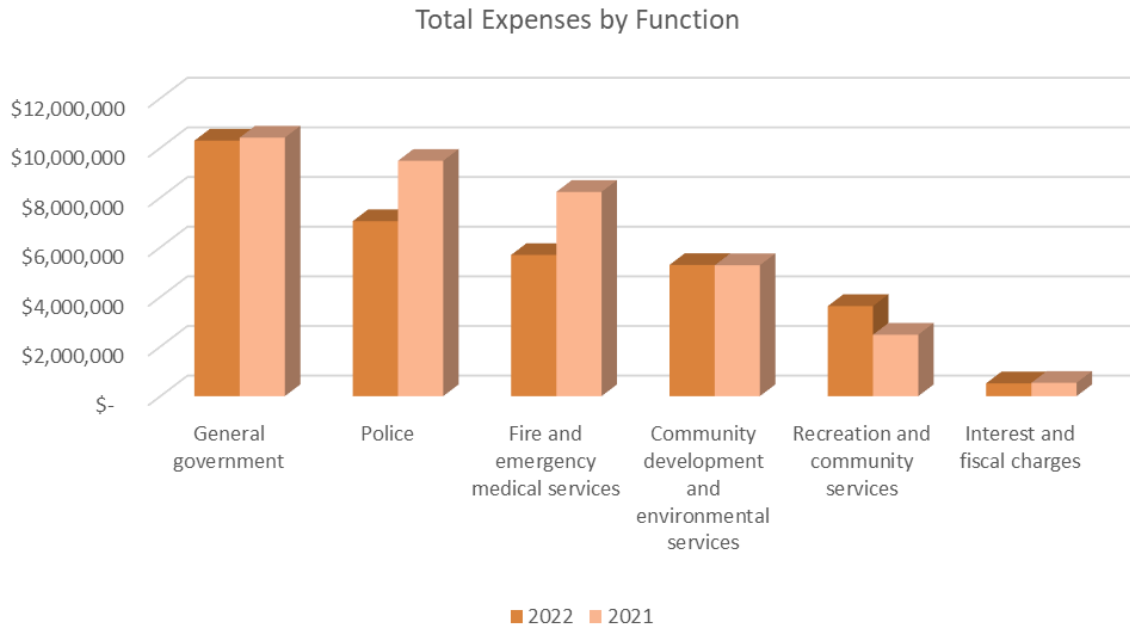


Significant changes in governmental revenues consisted of the following:

- Taxes increased by \$1.8 million or 6.7%, with changes related to the following categories:
 - Property taxes increased by approximately \$515,326 or 3%, which reflects the continuing strength in property values.
 - Sales and use tax revenues increased by \$491,543 or 11%. This increase can be primarily attributed to declines in the prior year associated with COVID-19.
 - Franchise and other taxes increased by \$822,083 or 14% mostly related to tax increases passed by the voters in November 2020, as well as the economy recovering after the impacts of COVID-19 in the prior year.
- The Charges for Services category increased by \$478,502 which included declining Recreation and Community Services revenues that resulted from COVID-19 restrictions.
- In Fiscal Year 21/22, operating and capital grants and contributions increased by \$1.9 million. The increase was mainly due to one-time grants received from federal, state and county agencies.

Governmental Expenses

The Fiscal Year 21/22 expenses for Governmental Activities decreased by \$4 million as illustrated in the chart below:

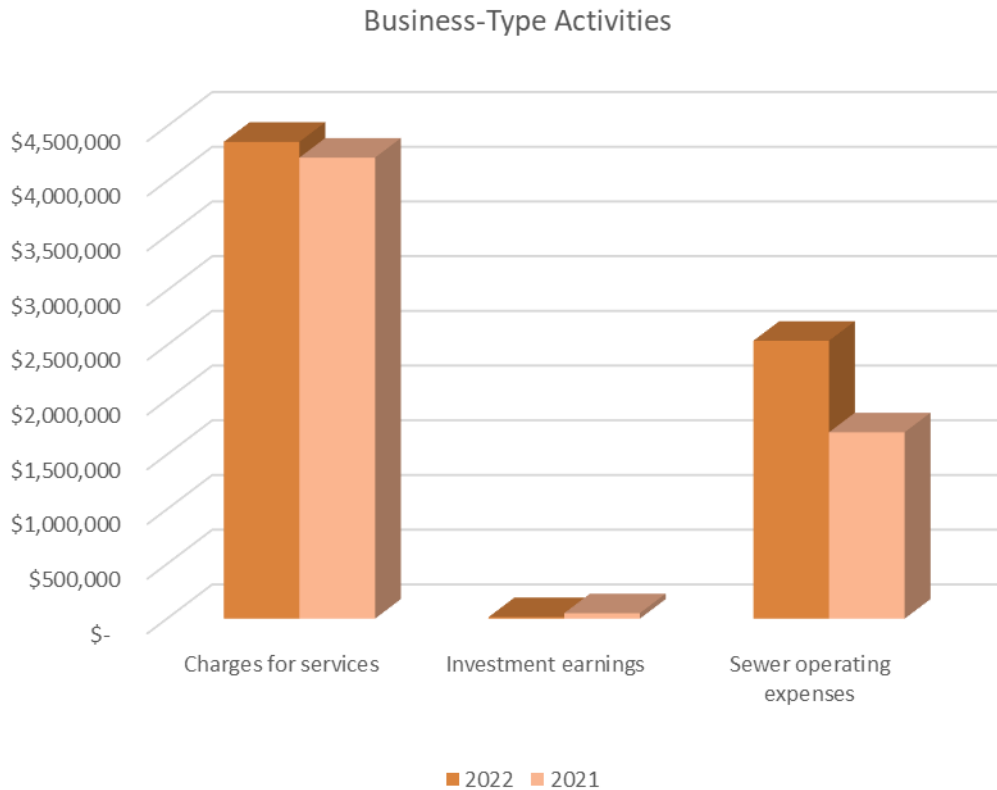


Significant changes in governmental expenses consisted of the following:

- As part of the presentation of financial statements on a government-wide perspective, expenditures are allocated to departments related to adjustments for actuarial pension reports and depreciation. Additional allocations or conversion entries are needed to convert fund statements to a government-wide perspective. In Fiscal Year 21/22, the annual amounts distributed to governmental functions was \$1.5 million. This included allocations for actuarial pension adjustments in the amount of a \$1.1 million credit, and depreciation expense of \$2.5 million, as well as amounts in other conversion categories.
- General government decreased by 1.2% or \$121,728.
- Police related costs decreased by 26% or \$2.4 million.
- Fire and emergency medical services costs decreased by 31% or \$2.5 million.
- Community development and environmental services costs increased by 0.2% or \$10,620.
- Recreation and community services expenses increased by 47% or \$1.2 million.
- Interest expense decreased by 4% or \$19,722.

Business-Type Activities

The City’s net position for business type activities increased by \$1.8 million. The following chart is a summary of the changes in revenues and expenses for the City’s business-type activities from Fiscal Year 20/21 to 21/22, with additional analysis following the chart:



Total Program Revenues for business-type activities increased by \$144,202 when compared to the prior year. This reflects an increase in Charges for Services for sewer services.

Total General Revenues decreased by \$35,953 related to investment earnings.

Total expenses for business type activities were \$2.5 million for Fiscal Year 21/22, which was an increase of \$836,327 or 49% when compared to the prior year. This was primarily due to a \$718,416 increase in supplies and materials for sewer operations.

FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS

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

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the City of Albany's Council.

A summary of the changes in fund balance of the Major Funds and Other Governmental Funds is presented below:

Table 3 - Summary of Changes in Fund Balance - Governmental Funds
--

	Major Funds			Total
	General Fund	Street & Storm Fund	Other Governmental Funds	
Total Revenues	\$ 23,891,883	\$ 1,214,596	\$ 12,924,323	\$ 38,030,802
Total Expenditures	26,316,388	365,779	7,590,228	34,272,395
Revenues Over (Under) Expenditures	(2,424,505)	848,817	5,334,095	3,758,407
Other financing sources	837,619	-	-	837,619
Transfers in	3,446,765	-	1,332,176	4,778,941
Transfers out	(319,634)	(344,471)	(4,114,836)	(4,778,941)
Net change in fund balances	1,540,245	504,346	2,551,435	4,596,026
Beginning of year	10,045,457	4,616,576	15,702,600	30,364,633
Prior Period Adjustment	2,565	-	-	2,565
End of year	<u>\$ 11,588,267</u>	<u>\$ 5,120,922</u>	<u>\$ 18,254,035</u>	<u>\$ 34,963,224</u>

The General Fund balance increased by \$1.5 million. This is primarily attributed to \$3.4 million in planned transfers from other nonmajor special revenue and capital projects funds during the Fiscal Year 21/22. General Fund operating expenditures exceed operating revenues by \$2.4 million.

The Street and Storm Fund expenditures decreased by \$337,209 mainly due to a \$578,258 decrease in capital outlay during the year.

Non-major Governmental Fund's fund balances increased \$2.6 million mainly due to an increase of \$873,792 in operating grants and \$68,071 in property taxes.

CAPITAL ASSETS

The City of Albany's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to \$84 million (net of accumulated depreciation). This includes net capital assets from governmental activities of \$53 million and net capital assets from business-type activities at \$31 million. This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure and sewer systems. The total increase in the City of Albany's capital assets, net of depreciation and disposals was \$216,609 or 0.3%. In Governmental Activities, the net decrease in capital assets was \$1.2 million or 2.3%, while business-type activities increased by over \$1.5 million or 4.9%. This increase was mainly attributed to the construction of additional sewer lines.

The following table summarizes the City's capital assets at the end of the year:

Table 4 - Capital Assets at Year End - Net

	Governmental Activities		Business-type Activities		Total		% Change
	2022	2021	2022	2021	2022	2021	
Land	\$ 9,443,728	\$ 9,443,728	\$ -	\$ -	\$ 9,443,728	\$ 9,443,728	0.00%
Construction in progress	751,373	1,947,536	4,546,819	2,399,640	5,298,192	4,347,176	21.88%
Buildings	19,160,932	18,100,219	2,084,157	2,130,557	21,245,089	20,230,776	5.01%
Improvements other than building	6,374,044	7,241,546	-	-	6,374,044	7,241,546	-11.98%
Furniture Fixtures	95,314	83,797	-	-	95,314	83,797	13.74%
Machinery and Equipment	337,086	202,936	-	-	337,086	202,936	66.10%
Vehicles	539,707	463,413	-	-	539,707	463,413	16.46%
Sewer Lines	-	-	24,421,274	25,070,164	24,421,274	25,070,164	-2.59%
Infrastructure	16,456,123	16,910,412	-	-	16,456,123	16,910,412	-2.69%
Total Capital Assets, Net	<u>\$ 53,158,307</u>	<u>\$ 54,393,587</u>	<u>\$ 31,052,250</u>	<u>\$ 29,600,361</u>	<u>\$ 84,210,557</u>	<u>\$ 83,993,948</u>	0.26%

Additional detail and information on capital asset activity is described in the notes to the financial statements, Note 5.

DEBT ADMINISTRATION

During the year, Long-Term Debt from governmental activities decreased by \$153,768 primarily due to regular debt service payments, while Long-Term Debt attributable to business-type activities decreased by \$597,934. The reduction within the business-type category resulted from regular debt service payments.

The following table summarizes the City's debt at the end of the year:

Table 5 - Outstanding Long-Term Debt at Year End			
	Governmental Activities		
	2022	2021	% Change
General Obligation Bonds	\$ 12,613,389	\$ 13,269,615	-4.95%
Parcel Tax Note	-	191,293	-100.00%
California Energy Commission Note	66,104	87,703	-24.63%
Service Center Lease Purchase Agreement	3,761,476	3,847,343	-2.23%
Vehicle Lease Purchase Agreement	801,217	-	100.00%
Total outstanding long-term debt	<u>\$ 17,242,186</u>	<u>\$ 17,395,954</u>	-0.88%
	Business-type Activities		
	2022	2021	% Change
Service Center Lease Purchase Agreement	\$ 1,880,738	\$ 1,923,672	-2.23%
Sewer Refunding Bonds	1,465,000	2,020,000	-27.48%
Total outstanding long-term debt	<u>\$ 3,345,738</u>	<u>\$ 3,943,672</u>	-15.16%

Additional detail and information on long-term debt activity is described in the notes to the financial statements, Note 6.

GENERAL FUND BUDGETARY HIGHLIGHTS

Changes from the City's General Fund original budget to the final budget are detailed in the *Required Supplementary Information* section along with a comparison to actual activity for the year ended. Changes to the City's budget that increase or decrease appropriations in a fund must be approved by a resolution of the City Council. Budget amendments were approved by Council throughout the year, with the final budget being approved in June of 2022.

Revenues

The General Fund adopted and final revenue budgets were \$20.21 million and \$20.18 million, with actual revenues at \$23.89 million. The overall budgetary difference of \$3.7 million primarily reflects greater than anticipated performance of \$3.2 million in tax revenue for the year, including \$3.23 million in real property transfer tax collections.

Expenditures

The General Fund adopted expenditure budget was \$25.98 million and the final budget was \$25.88 million. The actual expenditures totaled \$26.32 million, which resulted in a net difference of \$431,783. This budgetary variance consisted of higher-than-expected costs for general government of \$793,168. There was also \$383,782 and \$471,304 less in expenditures for Police and Recreation and Community Services, respectively, than anticipated.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Albany's Fiscal Year 2021-22 budget was adopted in June, 2021 as the first year of the biennial budget. While the City is still budgeting a General Fund deficit, the City has yet to realize that deficit due to several encouraging revenue trends, despite the continuing nationwide economic impacts brought about by the COVID-19 pandemic, and staff continue to identify budget efficiencies. While continuing to address the annual budget deficit, the City has been making strides to also address long term financial obligations such as pensions and asset repair and replacement.

Revenues

Property taxes make up the majority of the City's revenues and have been steadily increasing over the last several years. Permitted improvements that increase a property's taxable value have increased during the pandemic, bolstering the City's property tax revenues. These improvements generally take a year or so to hit the tax assessed value, which means the City should continue to see a steady increase for at least another two fiscal years.

Overall, the City has a diverse revenue mix which has allowed it to weather uncertainty like COVID-19 without resorting to drastic cuts like some cities have had to make. In November 2020, Albany voters approved two tax measures. The first of the two taxes was an increase in the City's real property transfer tax. The increase from \$11.50 to \$15 per thousand dollars of valuation was expected to generate approximately \$392,000 in new revenue each year. During the pandemic there was a surge in transactions, increasing the revenue raised by this tax by \$1.25 million. At this point, it is difficult to identify what portion of the increase was due to the tax rate change versus the increase in transactions,

however we are already seeing revenues slow down due to increased interest rates. Staff will continue to monitor this revenue source for potential updates in the next biennial budget. The second was an increase of the utility users' tax (UUT) on electricity and gas and an extension of the tax to water. While collections have increased, fluctuations in use of utilities due to the pandemic is still being analyzed.

While economic uncertainty persists, rising interest rates and a new investment advisor should bolster the City's investments. PFMAM was recently selected as the City Investment Manager and staff are actively working with them to draft and implement investment strategies. A new Investment Policy will be brought to the Financial Advisory Committee and then Council with the biennial budget package.

City staff continue to monitor each of the City's revenue sources to ensure it is leveraging special revenues with continuing obligations.

Expenditures

Expenditures necessitated by COVID-19 have put strain on already tight department budgets. These expenses have changed over the course of the pandemic, starting with structural expenses such as physical barriers and virtual work and meeting equipment and software. Personal protective equipment has been a constant expense during the pandemic, and will continue for the foreseeable future. One expense that varies based on the pandemic situation is overtime to cover shifts for staff that have been infected or exposed. In addition to these unexpected costs, the City is looking at increasing costs over the next decade. Pension costs are anticipated to grow to an additional \$3 million per year by 2030 and larger assets will need to be replaced with no current funding plan.

General city expenses have progressed as expected. The major divergence between budgeted and actual expenditures is seen in salary budgets. While the City budgets for the number of positions authorized, staffing levels fluctuate during the year. In addition, certain positions, such as Police Officer, have been harder to fill over the past several years. While salary savings from unfilled position is still a factor, the City has been fortunate to make several critical hires in late fiscal year 2022 and early 2023, reducing the saving previously actualized.

Capital projects are mainly funded by special revenues. While some of these revenues are economically driven, such as the state gas tax, many are stable sources that the City uses in its multi-year Capital Improvement Plan. Going forward, the capital reserve funds will help with funding projects that do not have dedicated revenue sources yet are integral to City operations or implementation of items identified in the Council's Strategic Plan and the Capital Reserve Fund Policy adopted in May 2020. While these funds were created in fiscal year 2019-20, no ongoing funding plan has been identified at this point. Staff will address funding in the next biennial budget.

REQUEST FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the City of Albany's finances for all of Albany's residents, taxpayers, customers, investors, and creditors. This financial report seeks to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Albany Finance Department at 1000 San Pablo Ave, Albany, CA 94706, or visit the City of Albany webpage at www.albanyca.org.



BASIC FINANCIAL STATEMENTS

City of Albany
Statement of Net Position
June 30, 2022

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets:			
Cash and investments	\$ 38,563,728	\$ 6,149,550	\$ 44,713,278
Accounts and taxes receivable	825,733	14,397	840,130
Due from other governments	125,144	-	125,144
Lease receivable, current	101,667	-	101,667
Prepaid items	886,143	-	886,143
Total Current Assets	<u>40,502,415</u>	<u>6,163,947</u>	<u>46,666,362</u>
Noncurrent Assets:			
Leases receivable	207,247	-	207,247
Capital Assets:			
Nondepreciable	10,195,101	4,546,819	14,741,920
Depreciable, net of accumulated depreciation	42,963,206	26,505,431	69,468,637
Total Capital Assets - Net	<u>53,158,307</u>	<u>31,052,250</u>	<u>84,210,557</u>
Total Noncurrent Assets	<u>53,365,554</u>	<u>31,052,250</u>	<u>84,417,804</u>
Total Assets	<u>\$ 93,867,969</u>	<u>\$ 37,216,197</u>	<u>\$ 131,084,166</u>
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Adjustments	\$ 117,186	\$ -	\$ 117,186
Pension Adjustments	10,491,665	-	10,491,665
Deferred Loss on Refunding	359,282	-	359,282
Total Deferred Outflows of Resources	<u>\$ 10,968,133</u>	<u>\$ -</u>	<u>\$ 10,968,133</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 3,605,338	\$ 175,745	\$ 3,781,083
Payroll related liabilities	1,280,721	-	1,280,721
Deposits and other liabilities	3,249	-	3,249
Interest payable	189,000	-	189,000
Unearned revenues	552,080	-	552,080
Claims payable	190,000	-	190,000
Compensated absences	894,432	-	894,432
Long-term debt - due within one year	815,488	609,638	1,425,126
Total Current Liabilities	<u>7,530,308</u>	<u>785,383</u>	<u>8,315,691</u>
Noncurrent Liabilities:			
Claims payable	309,786	-	309,786
Compensated absences	460,768	-	460,768
Net pension liability	28,938,890	-	28,938,890
Net OPEB liability	4,394,300	-	4,394,300
Long-term debt - due in more than one year	16,426,698	2,736,100	19,162,798
Total Noncurrent Liabilities	<u>50,530,442</u>	<u>2,736,100</u>	<u>53,266,542</u>
Total Liabilities	<u>\$ 58,060,750</u>	<u>\$ 3,521,483</u>	<u>\$ 61,582,233</u>
DEFERRED INFLOWS OF RESOURCES			
Leases	\$ 305,050	\$ -	\$ 305,050
OPEB Adjustments	552,236	-	552,236
Pension Adjustments	17,623,820	-	17,623,820
Total Deferred Inflows of Resources	<u>\$ 18,481,106</u>	<u>\$ -</u>	<u>\$ 18,481,106</u>
NET POSITION			
Net investment in capital assets	\$ 36,275,403	\$ 27,706,512	\$ 63,981,915
Restricted for:			
Police and Fire pension and retirement benefits	391,501	-	391,501
Law enforcement and training	1,136,575	-	1,136,575
Transportation projects	11,024,752	-	11,024,752
Recreation playfields, open space and creek restoration	2,462,857	-	2,462,857
Lighting and landscape projects	514,246	-	514,246
Sidewalks	653,135	-	653,135
Library	890,750	-	890,750
Collision response and Extrication	12	-	12
Prevention of nonpoint source pollution	1,344,078	-	1,344,078
Waste reduction and management	173,840	-	173,840
Transition improvement plan	3,398	-	3,398
Public art promotion	182,090	-	182,090
Community capital improvements	309,132	-	309,132
Debt service	104,696	-	104,696
Total Restricted	<u>21,331,504</u>	<u>-</u>	<u>21,331,504</u>
Unrestricted	<u>(29,312,661)</u>	<u>5,988,202</u>	<u>(23,324,459)</u>
Total Net Position	<u>\$ 28,294,246</u>	<u>\$ 33,694,714</u>	<u>\$ 61,988,960</u>

The accompanying notes are an integral part of these financial statements.

City of Albany
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Program Revenues					Governmental Activities	Business-Type Activities	Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total			
Primary Government:								
Governmental Activities:								
General Government	\$ 10,291,783	\$ 48,423	\$ 2,355,851	\$ -	\$ 2,404,274	\$ (7,887,509)		\$ (7,887,509)
Police	7,048,914	344,625	161,285	-	505,910	(6,543,004)		(6,543,004)
Fire and emergency medical services	5,687,456	1,015,269	509,845	-	1,525,114	(4,162,342)		(4,162,342)
Community development and environmental services	5,284,453	1,006,385	75,135	2,062,499	3,144,019	(2,140,434)		(2,140,434)
Recreation and community services	3,627,640	902,186	113,105	-	1,015,291	(2,612,349)		(2,612,349)
Interest and fiscal charges	516,411	-	-	-	-	(516,411)		(516,411)
Total Governmental Activities	<u>\$ 32,456,657</u>	<u>\$ 3,316,888</u>	<u>\$ 3,215,221</u>	<u>\$ 2,062,499</u>	<u>\$ 8,594,608</u>	<u>(23,862,049)</u>		<u>(23,862,049)</u>
Business-Type Activities:								
Sewer	\$ 2,539,686	\$ 4,357,794	\$ -	\$ -	\$ 4,357,794		\$ 1,818,108	1,818,108
Total Business-Type Activities	<u>\$ 2,539,686</u>	<u>\$ 4,357,794</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,357,794</u>		<u>1,818,108</u>	<u>1,818,108</u>
General Revenues:								
Taxes:								
Property taxes						17,614,926	-	17,614,926
Sales and use taxes						4,895,260	-	4,895,260
Franchise and other taxes						6,825,481	-	6,825,481
Total taxes						<u>29,335,667</u>	-	<u>29,335,667</u>
Investment earnings						53,931	14,005	67,936
Other revenues						46,596	-	46,596
Total General Revenues						<u>29,436,194</u>	<u>14,005</u>	<u>29,450,199</u>
Change in Net Position						<u>5,574,145</u>	<u>1,832,113</u>	<u>7,406,258</u>
Net Position - Beginning of Year						24,221,108	31,862,601	56,083,709
Prior Period Adjustments						(1,501,007)	-	(1,501,007)
Net Position - Beginning of Year, As Adjusted						<u>22,720,101</u>	<u>31,862,601</u>	<u>54,582,702</u>
Net Position - End of Year						<u>\$ 28,294,246</u>	<u>\$ 33,694,714</u>	<u>\$ 61,988,960</u>

The accompanying notes are an integral part of these financial statements.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The *General Fund* accounts for the resources traditionally associated with governmental funds which are not required legally or by sound financial management to be accounted for in another fund.

The *Street & Storm Fund* accounts for property tax revenues, debt proceeds, and expenditures for various street and storm drain projects.

Non-Major Governmental Funds aggregate all the non-major governmental funds.

City of Albany
Balance Sheet
Governmental Funds
June 30, 2022

	Major Funds			Total Governmental Funds
	General Fund	Street & Storm Fund	Nonmajor Governmental Funds	
ASSETS				
Cash and investments	\$ 13,806,770	\$ 5,298,312	\$ 19,458,646	\$ 38,563,728
Accounts and taxes receivable	810,511	4,407	10,815	825,733
Due from other governments	-	-	125,144	125,144
Due from other funds	609,748	-	-	609,748
Prepaid items	886,143	-	-	886,143
Leases receivable	308,914	-	-	308,914
Total assets	\$ 16,422,086	\$ 5,302,719	\$ 19,594,605	\$ 41,319,410
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,693,733	\$ 181,797	\$ 729,808	\$ 3,605,338
Payroll related liabilities	1,280,721	-	-	1,280,721
Deposits and other liabilities	2,235	-	1,014	3,249
Due to other funds	-	-	609,748	609,748
Unearned revenues	552,080	-	-	552,080
Total liabilities	4,528,769	181,797	1,340,570	6,051,136
Deferred Inflows of Resources:				
Leases	305,050	-	-	305,050
Total Deferred Inflows of Resources	305,050	-	-	305,050
Fund Balances:				
Nonspendable				
Prepaid items	886,143	-	-	886,143
Leases receivable	308,914	-	-	308,914
Restricted:				
Police and Fire pension and retirement benefits	-	-	391,501	391,501
Law enforcement and training	-	-	1,136,575	1,136,575
Transportation projects	-	4,616,576	6,408,176	11,024,752
Recreation playfields, open space and creek restoration	-	-	2,462,857	2,462,857
Lighting and landscape projects	-	-	514,246	514,246
Sidewalks	-	-	653,135	653,135
COVID-19 recovery	-	-	2,140,442	2,140,442
Library	-	-	890,750	890,750
Collision response and Extrication	-	-	12	12
Prevention of nonpoint source pollution	-	-	1,344,078	1,344,078
Waste reduction and management	-	-	173,840	173,840
Transition improvement plan	-	-	3,398	3,398
Public art promotion	-	-	182,090	182,090
Community capital improvements	-	-	309,132	309,132
Debt service	-	-	104,696	104,696
Assigned:				
Economic development and land use	-	-	190,112	190,112
Police vehicles and equipment	-	-	57,812	57,812
Emergency medical services equipment	-	-	220,500	220,500
Fire operations equipment	-	-	340,985	340,985
Information technology equipment replacement	-	-	272,957	272,957
Public works and park equipment	-	-	508,833	508,833
General city projects	-	-	334,122	334,122
KALB equipment replacement	-	-	50,000	50,000
Payroll liabilities	1,568,642	-	-	1,568,642
Unassigned	8,824,568	504,346	(436,214)	8,892,700
Total fund balances	11,588,267	5,120,922	18,254,035	34,963,224
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,422,086	\$ 5,302,719	\$ 19,594,605	\$ 41,319,410

The accompanying notes are an integral part of these financial statements.

City of Albany
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2022

Total Fund Balances - Total Governmental Funds \$ 34,963,224

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

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. The capital assets were adjusted as follows:

Capital assets	87,569,688
Less: accumulated depreciation	<u>(34,411,381)</u>
Total Capital Assets	<u>53,158,307</u>

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet. (189,000)

The differences from benefit plan assumptions and estimates versus actuals are not included in the plan's actuarial study until the next fiscal year and are reported as deferred inflows or deferred outflows of resources in the statement of net position. (7,567,205)

The difference between the carrying value of refunded debt and the reacquisition price is deferred and amortized over the shorter of the remaining life of the refunded debt or the refunding debt. 359,282

Long-term obligations were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet. The long-term liabilities were adjusted as follows:

Long-term debt	(17,242,186)
Claims payable	(499,786)
Compensated absences	(1,355,200)
Net pension liability	(28,938,890)
Net OPEB liability	<u>(4,394,300)</u>
Total Long-Term Obligations	<u>(52,430,362)</u>

Net Position of Governmental Activities \$ 28,294,246

The accompanying notes are an integral part of these financial statements.

City of Albany
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	Major Funds			Total Governmental Funds
	General Fund	Street & Storm Fund	Nonmajor Governmental Funds	
REVENUES				
Property taxes	\$ 9,076,931	\$ 1,214,596	\$ 7,323,399	\$ 17,614,926
Sales and use taxes	4,895,260	-	-	4,895,260
Franchise and other taxes	6,825,481	-	-	6,825,481
License and permits	669,325	-	-	669,325
Fines and forfeitures	233,195	-	-	233,195
Investment earnings	24,177	-	29,755	53,932
Intergovernmental revenues	719,354	-	4,558,368	5,277,722
Charges for services	1,107,079	-	1,006,423	2,113,502
Rents and concessions	300,674	-	-	300,674
Other revenues	40,407	-	6,378	46,785
Total Revenues	23,891,883	1,214,596	12,924,323	38,030,802
EXPENDITURES				
Current:				
General Government	8,473,843	20,298	540,187	9,034,328
Police	7,474,600	-	-	7,474,600
Fire and emergency medical services	3,297,404	-	2,706,955	6,004,359
Community development and environmental services	4,655,935	241,649	471,010	5,368,594
Recreation and community services	2,079,875	-	1,117,945	3,197,820
Capital outlay	36,012	103,832	1,575,005	1,714,849
Debt service				
Principal	143,869	-	791,292	935,161
Interest and fiscal charges	154,850	-	387,834	542,684
Total Expenditures	26,316,388	365,779	7,590,228	34,272,395
Excess (Deficiency) of Revenues over Expenditures	(2,424,505)	848,817	5,334,095	3,758,407
OTHER FINANCING SOURCES (USES)				
Proceeds from lease financing	837,619	-	-	837,619
Transfers in	3,446,765	-	1,332,176	4,778,941
Transfers out	(319,634)	(344,471)	(4,114,836)	(4,778,941)
Total Other Financing Sources (Uses)	3,964,750	(344,471)	(2,782,660)	837,619
Net Change in Fund Balances	1,540,245	504,346	2,551,435	4,596,026
Fund Balances Beginning	10,045,457	4,616,576	15,702,600	30,364,633
Prior Period Adjustments - GASB 87, Leases	2,565	-	-	2,565
Fund Balances Beginning, as Adjusted	10,048,022	4,616,576	15,702,600	30,367,198
Fund Balances Ending	\$ 11,588,267	\$ 5,120,922	\$ 18,254,035	\$ 34,963,224

The accompanying notes are an integral part of these financial statements.

City of Albany

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 4,596,026

Amounts reported for governmental activities in the Statement of Activities and Changes in net position were different because:

Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in net position, the cost of those assets was allocated over their estimated useful lives as depreciation expense.

Capital outlay	2,795,328
Depreciation expense	(2,527,036)

The difference between the carrying value of refunded debt and the reacquisition price is deferred and amortized over the shorter of the remaining life of the refunded debt or the refunding debt. (23,953)

In governmental funds, actual contributions to benefit plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year benefit expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources. 1,073,560

Repayment of long-term debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position. 935,161

Premiums from the issuance of long-term debt are amortized over the life of the bonds in the Statement of Activities and reported as proceeds when issued in governmental funds. 56,226

Proceeds from lease financing, issued in the governmental funds, is reported as other financing sources. However, they are required to be presented as long-term debt in the Government-Wide Statement of Net Position. (837,619)

Certain expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the fund statements as follows:
Other postemployment benefits (260,828)

Long-term compensated absences and claims payables were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources and were not reported as expenditures in governmental funds.
Compensated absences (138,935)
Claims payable (87,785)

Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in net position, but it did not require the use of current financial resources. Therefore, interest expense was not reported as expenditures in governmental funds. The following amount represented the net change in accrued interest from and accreted interest from prior year. (6,000)

Change in Net Position of Governmental Activities \$ 5,574,145

The accompanying notes are an integral part of these financial statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

The *Sewer Fund* accounts for wastewater and sewage collection provided to the City residents and businesses.

City of Albany
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-Type Activities Enterprise Funds Sewer Fund
ASSETS	
Current assets:	
Cash and investments	\$ 6,149,550
Accounts receivable	14,397
Total current assets	<u>6,163,947</u>
Noncurrent assets:	
Capital assets - nondepreciable	4,546,819
Capital assets - depreciable	26,505,431
Total capital assets - net	<u>31,052,250</u>
Total assets	<u><u>\$ 37,216,197</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 175,745
Long-term debt - due within one year	609,638
Total current liabilities	<u>785,383</u>
Noncurrent liabilities:	
Long-term debt - due in more than one year	2,736,100
Total noncurrent liabilities	<u>2,736,100</u>
Total liabilities	<u><u>\$ 3,521,483</u></u>
NET POSITION	
Net Investment in capital assets	\$ 27,706,512
Unrestricted	5,988,202
Total net position	<u><u>\$ 33,694,714</u></u>

The accompanying notes are an integral part of these financial statements.

City of Albany

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2022

	Business-Type Activities Enterprise Funds
	Sewer Fund
OPERATING REVENUES	
Charges for services	\$ 4,357,794
Total operating revenues	<u>4,357,794</u>
OPERATING EXPENSES	
Personnel services	365,079
Supplies, materials and other	1,328,656
Major repairs	3,308
Depreciation	720,190
Total operating expenses	<u>2,417,233</u>
Operating income (loss)	<u>1,940,561</u>
NONOPERATING REVENUES(EXPENSES)	
Investment earnings	14,005
Interest expense	(122,453)
Total nonoperating revenues(expenses)	<u>(108,448)</u>
Income (loss) before operating transfers	1,832,113
Transfers in	-
Transfers out	-
Change in net position	1,832,113
Total net position - beginning	<u>31,862,601</u>
Total net position - ending	<u>\$ 33,694,714</u>

The accompanying notes are an integral part of these financial statements.

City of Albany
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities Enterprise Funds
	Sewer Fund
Cash flows from operating activities:	
Receipts from customers and users	\$ 4,361,985
Payments to suppliers	(1,316,474)
Payments to employees	(365,079)
Net cash provided (used) by operating activities	<u>2,680,432</u>
Cash flows from capital financing activities:	
Purchases (sales) of property, plant and equipment - net	(2,210,001)
Principal payments on long-term debt	(597,934)
Interest paid on long-term debt	(122,453)
Net cash provided (used) by capital financing activities	<u>(2,930,388)</u>
Cash flows from investing activities:	
Investment income received	14,005
Net cash provided (used) by investing activities	<u>14,005</u>
Net increase (decrease) in cash and cash equivalents	(235,951)
Cash and cash equivalents - beginning	6,385,501
Cash and cash equivalents - ending	<u>\$ 6,149,550</u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 1,940,561
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	720,190
Change in operating assets and liabilities:	
Accounts receivables	4,191
Accounts payable	15,490
Net cash provided (used) by operating activities	<u>\$ 2,680,432</u>

The accompanying notes are an integral part of these financial statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

Private Purpose Trust Funds

The *Police and Fire Pension Trust Fund* accounts for contributions and resources invested in the City's Police and Fire Relief or Pension Trust Fund.

Custodial Funds

Custodial Funds are used to account for assets held by the City in a fiduciary capacity or as an agent for individuals, governmental entities, and others. Such funds are operated to carry out specific actions of trust agreements, ordinances, bylaws, and other governing regulations.

City of Albany
Statement of Net Position
Fiduciary Funds
June 30, 2022

	Pension	Custodial Funds		
	Trust	Cordornices	1996-1	Total
	Fund		Assment District	
	Police and	Trail	Bond	Funds
	Fire Pension	Fund	Fund	
	Fund			
ASSETS				
Cash deposits with financial institutions	\$ 210,565	\$ 331,857	\$ 537,136	\$ 868,993
Investments at fair value:				
Local Agency Investment Fund	31,901	-	-	-
Mutual funds	2,896,573	-	-	-
Total assets	<u>\$ 3,139,039</u>	<u>\$ 331,857</u>	<u>\$ 537,136</u>	<u>\$ 868,993</u>
LIABILITIES				
Accounts payable	\$ 67,879	\$ -	\$ -	\$ -
Payroll related liabilities	5,693	-	-	-
Total liabilities	<u>\$ 73,572</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Restricted	<u>\$ 3,065,467</u>	<u>\$ 331,857</u>	<u>\$ 537,136</u>	<u>\$ 868,993</u>

The accompanying notes are an integral part of these financial statements.

City of Albany
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Pension	Custodial Funds		
	Trust	1996-1		
	Fund	Police and	Cordornices	Assment District
	Fire Pension	Trail	Bond	Custodial
	Fund	Fund	Fund	Funds
ADDITIONS				
Employer contributions	\$ 500,000	\$ -	\$ -	\$ -
Net appreciation (depreciation) in fair value of investments	(412,041)	-	-	-
Interest and dividends	110,808	-	5	5
Total additions	198,767	-	5	5
DEDUCTIONS				
Pension benefits	1,184,209	-	-	-
Professional services	-	9,024	-	9,024
Administration	27,435	-	-	-
Total deductions	1,211,644	9,024	-	9,024
Change in net position	(1,012,877)	(9,024)	5	(9,019)
Total net position - beginning	4,078,344	340,881	537,131	878,012
Total net position - ending	<u>\$ 3,065,467</u>	<u>\$ 331,857</u>	<u>\$ 537,136</u>	<u>\$ 868,993</u>

The accompanying notes are an integral part of these financial statements.

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

NOTE 1 - BACKGROUND

The City of Albany is a largely residential community located on San Francisco Bay in Alameda County, California. The City was incorporated in 1908. The population as of January 2020 estimated by the State of California, Department of Finance to be 18,937.

The City operates under the Council-City Manager form of government, with a full-time City Manager. The governing body is a five-member council, with one council member serving as mayor. The members are elected at large to serve a four-year term. The City Treasurer is also an elected official.

In addition to finance and administrative functions, the City Manager oversees 107 fulltime equivalent employees in the functions of:

- Police services - the Police Department is composed of a Chief of Police, two Lieutenants, six Sergeants, an Administrative Specialist, eighteen patrol officers, seven Public Safety Dispatchers, and various support services personnel for the equivalent of thirty-seven full-time employees. In addition to enforcement of laws and protection of life and property, the department supports the Albany Police Activities League (APAL) and numerous other community service programs.
- Fire and Emergency Medical Services - the Fire and Emergency Medical Services Department is composed of a Chief, three Captains, three Lieutenants, and twelve fire fighters and paramedic personnel. The Fire Department is responsible for operation of the City's Emergency Operations Center. Department personnel perform numerous services to benefit the community, such as offering smoke detector installation for residents who are elderly and/or disabled, blood pressure screening to all Albany residents, and conducting CPR and Community Emergency Response Team trainings.
- Recreation and Community Services - the City provides many recreational activities for its citizens, with emphasis on services to youth and seniors. City owned recreational facilities operated by the department are:
 - Community Center
 - Senior Center and a Senior Center Annex
 - Child Care Centers
 - Albany Teen Center
- Community Development and Environmental Resources - the functions of City infrastructure maintenance and administration of licensing, permit and zoning activities are assigned to this department. The department is composed of the following two divisions:
 - Planning and Building
 - Environmental Resources
- Finance and Administrative Services - performs financial accounting, budgeting, insurance administration, investment management, capital projects accounting, and other finance and administrative tasks, as required.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Albany, California, (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies.

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

As required by GAAP, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City Council acts as the governing board. In addition, the City staff performs all administrative and accounting functions for these entities and these entities provide their services entirely to the City. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize their legal separateness from the City. Each blended component unit has a June 30 year-end.

The *City of Albany Public Facilities Financing Authority* is a financing authority whose purpose is to provide financing assistance to the City for acquiring real property and improvements for the benefit of the City and surrounding areas. The Authority's board is composed of the City Council, and all accounting and administrative functions are performed by City staff. The Authority is dependent upon the City for its cash flows, and the activities of the Authority have been recorded in the Public Facilities Financing Authority Debt Service Fund of the City. Separate financial statements are not issued for the Authority.

The City has established a separate legal trust, the *City of Albany Police and Fire Relief or Pension Fund* (Trust), for its closed police and fire pension benefits, which were available for certain eligible employees. This is a Private Purpose Trust Fund reported as a fiduciary fund financial statement. The Trust's governing board is composed of a City Council person, City Treasurer, City Clerk, and two members of the Trust. All accounting and administrative functions are performed by the City, at the direction of the Trust Board of Commissioners. Separate financial statements for the Trust may be obtained from the City of Albany administrative offices located at 1000 San Pablo Avenue, Albany, CA 94706.

The City applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. In June of 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 also amends GASB 62 and AICPA Pronouncements paragraphs 64, 74, and 82. The GAAP hierarchy sets forth what constitutes GAAP for all state and local governmental entities. It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. The sources of authoritative GAAP are categorized in descending order of authority as follows:

- a. Officially established accounting principles—Governmental Accounting Standards Board (GASB) Statements (Category A)
- b. GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB (Category B).

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

If the accounting treatment for a transaction or other event is not specified by a pronouncement in Category A, a governmental entity should consider whether the accounting treatment is specified by a source in Category B.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The City's government-wide financial statements include a *Statement of Net Position* and a *Statement of Activities and Changes in Net Position*. These statements present summaries of governmental and business-type activities for the City. Internal Service Funds activities are excluded to avoid "doubling up" revenues and expenses. Fiduciary activities of the City are not included in these statements. *Governmental activities*, which normally are 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.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources (including capital assets, as well as infrastructure assets, and long-term liabilities), are included in the accompanying *Statement of Net Position*. The *Statement of Activities* presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those clearly identifiable with a specific function or segment. In conformity with the City's indirect cost allocation plan, certain indirect costs are included in the program expense reported for individual functions and activities. Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Separate financial statements are provided for governmental funds, proprietary funds (which includes the internal service funds), and fiduciary funds, even though the fiduciary funds 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. Certain eliminations have been made as prescribed by GASB Statement No. 34 in-regards-to interfund activities, payables, and receivables. All internal balances in the *Statement of Net Position* have been eliminated. Interfund services provided and used are not eliminated in the process of consolidation. The following interfund activities have been eliminated:

- Transfers in/Transfers out
- Internal Service Fund charges

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

Governmental Fund Financial Statements

Governmental fund financial statements include a *Balance Sheet* and a *Statement of Revenues, Expenditures and Changes in Fund Balances* for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the balance sheets. The *Statement of Revenues, Expenditures and Changes in Fund Balances* present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (up to 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, special assessments, intergovernmental revenues, other taxes, interest revenue, rental revenue and certain charges for services. Fines, forfeitures, licenses and permits and parking meter revenues are not susceptible to accrual because they are usually not measurable until received in cash. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Principal and interest on general long-term debt are recognized when due. Financial resources are appropriated in other funds for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid. Thus, amounts are not current liabilities of the debt service fund, as their settlement will not require expenditure of existing fund assets.

Unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unearned revenue is removed from the combined balance sheet and revenue is recognized.

The following funds are major funds:

General Fund

The General Fund is the general operating fund of the City. It is used for all financial resources except those required legally, or by sound financial management to be accounted for in another fund. Generally, the General Fund is used to account for those traditional governmental services of the City, such as police and fire protection, planning and general administrative services.

Street & Storm Capital Projects Fund

This fund is used to record property tax revenues, debt proceeds and expenditures for various street and storm drain projects.

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

Additionally, the City reports the following nonmajor fund types of governmental funds:

Special Revenue Funds

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to specific purposes other than debt service or capital projects.

Capital Project Funds

Capital project funds account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets in governmental funds.

Debt Service Funds

Debt service funds account for the accumulation of resources for, and payment on, long-term obligation debt principal and interest.

Proprietary Funds

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. Proprietary funds are presented using the “economic resources measurement focus”. This means all assets, deferred outflows of resources, liabilities (whether current or noncurrent) and deferred inflows of resources associated with their activities are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the internal service funds financial statements.

The City has the following enterprise funds that have been reported as major:

Sewer Fund

The Sewer Fund accounts for wastewater and sewage collection provided to City residents and businesses. The cost of this service, including depreciation, is recovered through user charges.

Fiduciary Funds

Fiduciary Fund Financial Statements include a statement of net position and a statement of changes in net position. The City's fiduciary funds represent a Pension Trust Fund and custodial funds. Pension Trust Funds are used to report resources that are required to be held in trust by the City for the members and beneficiaries of defined benefit pension plans and defined contribution pension plans. The accounting used for fiduciary funds is much like that used for proprietary funds.

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The City has the following fiduciary funds:

Police and Fire Pension Trust Fund

The Police and Fire Pension Trust Fund accounts for the activities of the Police and Fire Relief or Pension Fund Trust.

Custodial Funds

Custodial funds are used by the City to report activity relating to amounts collected and distributed by the City, which include fees, special assessments, and deposits for outside parties based on agreements.

C. Cash, Cash Equivalents and Investments

The City pools its available cash for operating purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments except for debt service reserves with trustees which are restricted and presented separately.

Deposit and Investment Risk Disclosures - In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures* (Amendment of GASB Statement No. 3), certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas: Interest Rate Risk, Overall Credit Risk, Custodial Credit Risk, Concentrations of Credit Risk, and Foreign Currency Risk.

Other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures. The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

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D. Interfund Receivables and Payables

Items classified as interfund receivables/payables are referred to as “advances to/advances from other funds” or as “due to/from other funds”. Due to/from other funds include short-term lending/borrowing transactions between funds. This classification also includes the current portion of an advance to or from another fund. Advances to/advances from other funds represents non-current portions of any long-term lending/borrowing transactions between funds. This amount will be equally offset by a reserve of fund balance which indicates that it does not represent available financial resources and therefore, is not available for appropriation.

E. Sewer Revenue and Receivables

Billed, but unpaid, services provided to individuals or non-governmental entities are recorded as accounts receivable. Sewer service charges are billed and collected by the Alameda County Tax Collector as part of the property tax bill. Semi-annual payments are due November 1 and February 1 of the fiscal year in which the service is provided. Material revenues earned but not collected by year-end are accrued. No allowance for uncollectible accounts receivable has been provided as management has determined that uncollectible accounts have historically been immaterial and the direct write-off method does not result in a material difference from the allowance method.

F. Prepaid Items

Prepaid items represent amounts paid in advance for a benefit not yet received. This type of expenditure normally includes costs paid in one fiscal year (or period) that benefits a future year (or period). The City uses the consumption method of accounting for prepaid items under which purchases are debited to a prepaid asset account and are recorded as expenditures or expenses when used.

G. Capital Assets

Capital outlays are recorded as expenditures in the general, special revenue, and capital projects funds and as assets in the government-wide and proprietary fund financial statements to the extent the City's capitalization threshold is met.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements and in the proprietary fund financial statements. All assets, including land, buildings, machinery and equipment, with an original cost in excess of \$5,000 and a useful life of one year or more will be subject to capitalization. Capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Buildings	20-50 Years
Machinery and equipment	2-10 Years
Furniture and fixtures	5-10 Years
Improvements other than buildings	20 Years
Infrastructure	20-70 Years
Sewer transmission lines	50 Years
Vehicles	5 Years

H. Deferred Outflows/Deferred Inflows

Deferred outflows of resources are a consumption of net assets by the City that is applicable to a future reporting period; for example, prepaid items and deferred charges.

Deferred inflows of resources are an acquisition of net assets by the City that is applicable to a future reporting period; for example, unavailable resources and advance collections.

I. Interest Payable

In the government-wide and proprietary fund financial statements, interest payable from long-term debt is recognized as an incurred liability and expense. The City has not allocated the interest on long-term debt to departments. In the fund financial statements, governmental fund types do not recognize the interest payable when the liability is incurred. Interest on long-term debt is recorded in the governmental fund statements when payment is made.

J. Claims Payable

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for general liability and workers' compensation claims. The estimated liability for these claims includes "incurred but not reported" (IBNR) claims. There is no fixed payment schedule to pay these liabilities.

K. Deferred Compensation Plan

City employees may defer a portion of their compensation under a City sponsored. Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, and death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

L. Compensated Absences

Compensated absences include unpaid vacation and the vested portion of sick leave, which are accrued as earned. The City's liability for compensated absences is recorded in an internal service fund and is

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determined annually. The City's bargaining agreements and personnel rules allow for those who retire with unused sick leave to receive payment of twenty-five percent of accrued and unused sick leave, at the time of retirement. See Note 6 for a summary of changes in compensated absences and the current portions due within the next year. The general fund is typically used to liquidate compensated absences

M. Long-Term Liabilities

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are expensed in year incurred.

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 financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Benefit Plans

Pension Expense

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit (OPEB) Expense

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the City's Retiree Benefits Plan (the OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

O. Fund Balances

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balances as follows:

Nonspendable

Nonspendable fund balance includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted

Restricted fund balance includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

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Committed

Committed fund balance includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the City Council.

Assigned

Assigned fund balance includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Intent is expressed by (a) City Council or (b) a body (a budget, finance committee, or management (City Wide Leadership team, which consists of City Manager and Executive Department Heads)) to which the assigned amounts are to be used for specific purposes. The City Council adopted Resolution No. 2012-2 that delegated this authority to the City Manager. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund, that are not classified as nonspendable, restricted, or committed

Unassigned

The Unassigned Fund Balance category represents fund balance which may be held for specific types of uses or stabilization purposes but is not yet directed to be used for a specific purpose. The detail of amounts reported for each of the above defined fund balance categories is reported in the governmental funds balance sheet and in the combining nonmajor fund balance sheets.

Flow Assumption / Spending Order Policy

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to be spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to be spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has directed otherwise.

P. Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets

This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that are attributed to the acquisition, construction, or improvement of the assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position.

Restricted Net Position

This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position

This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

The detail of amounts reported for each of the above defined net position categories is reported in the government-wide Statement of Net Position.

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Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

Q. Interfund Transactions

Interfund services provided and used are accounted for as revenue, expenditures or expenses, as appropriate. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursed fund. All other interfund transactions, except for interfund services provided and used and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as transfers.

R. Property Taxes and Special Assessments

County tax assessments include secured and unsecured property taxes and special assessments. "Unsecured" refers to taxes on personal property. These tax assessments are secured by liens on the property being taxed.

Alameda County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. Property taxes are levied in equal installments on November 1 and February 1. They become delinquent on December 10 and April 10, respectively.

Property taxes are accounted for in the General Fund. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The City considers property taxes as available if they are collected within 60 days after year end. Property tax on the unsecured roll are due on July 1 and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year end accrual.

S. Budgetary Information

The following procedures are followed when establishing the City's annual budget:

- By June 1, of odd-numbered years, the City Manager submits to the City Council an operating budget and capital improvement budget for the two fiscal years commencing the following July 1. The operating budget includes proposed expenditures and the sources of financing.
- Public hearings and work sessions are conducted to obtain comments from interested individuals and organizations.
- The budget is formalized and legally enacted through City Council adoption.
- All intrafund transfers above \$5,000 require the approval of the City Manager (or designee). All intrafund transfers below \$5,000 require the approval of the Finance and Administrative Services Director (or designee). Interfund transfer approval must be obtained from both the City Manager and Finance and Administrative Services Director. Such approval shall only be given provided the interfund transfer does not change the total initial appropriation for all funds requiring budgets. Changes in appropriations at the fund level must be approved by the City Council.
- Formal budgetary integration, in the form of the annual budget, is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds.

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- Budgets for General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles in the United States of America. Appropriations lapse at the end of the fiscal year.
- As needed, budgeted amounts are subjected to amendments presented to the City Council for approval. Budgeted amounts appearing in these statements are as amended by the City Council through June 30, 2022.

T. Encumbrances

Under encumbrance accounting, purchase orders, contract and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in all funds. All appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

U. Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows from unearned revenue. In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows from unavailable resources.

V. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

W. Implementation of New Accounting Pronouncements

GASB Statement No. 87, Leases

The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. As of June 30, 2022, the management did not identify any material leases that were required to be reported under GASB 87.

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As of June 30, 2022, the City recognized one contract as a lease and implemented the applicable accounting and reporting requirements of a lessor under GASB 87. The following schedule summarizes the lease balances and the impact on beginning net position and fund balance:

Description	Lease Receivable	Deferred Inflows of Resources	Prior Period Adjustment
Initial Net Present Value	\$ 508,418	\$ 508,418	\$ -
Accumulated Amortization	-	(101,684)	101,684
Principal Payments	(99,119)	-	(99,119)
Beginning Balances 7/1/2021	409,299	406,734	2,565
Current Amortization	-	(101,684)	-
Current Principal Payments	(100,385)	-	-
Ending Balances 6/30/2022	\$ 308,914	\$ 305,050	\$ 2,565

X. Upcoming New Accounting Pronouncements

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements of the following recent GASB Statements:

GASB Statement No. 91, Conduit Debt Obligations

The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement also clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitment and voluntary commitments extended by issuers and arrangements associated with the debt obligations; and improving required note disclosures. The requirements of this Statement were initially to be effective for financial statements for periods beginning after December 15, 2020 but have been delayed to periods beginning after December 15, 2021, pursuant to GASB Statement No. 95. Earlier application is encouraged.

GASB Statement No. 94, Public-Private Partnerships and Public-Public Partnerships and Availability Payment Arrangements

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment

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arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are to be effective for financial statements for periods beginning after June 15, 2022. Earlier application is encouraged.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

GASB 96 provides guidance on accounting for Subscription-Based Information Technology Arrangements (SBITA) where the government contracts for the right to use another party's software. The standards for SBITAs are based on the standards established in GASB Statement No. 87, *Leases*. *GASB 96 is effective for fiscal years beginning after June 15, 2022.*

GASB Statement No. 99, Omnibus 2022

Omnibus statements are issued by GASB to address practice issues identified after other standards have been approved for implementation. Omnibus statements "clear up the loose ends" for recent prior statements GASB has issued. This Omnibus addresses recent pronouncements, including GASB 87 – Leases, GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and GASB 96 – *Subscription-Based Information Technology Arrangements*.

Effective Date: The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by topic.

GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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GASB Statement No. 101, *Compensated Absences*

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

NOTE 3 - CASH AND INVESTMENTS

As of June 30, 2022, cash and investments were reported in the financial statements as follows:

	Government Wide Statement of Net Position		Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Statement of Net Position	
Operating cash and investments	\$ 38,563,728	\$ 6,149,550	\$ 4,008,032	\$ 48,721,310
Total cash and investments	\$ 38,563,728	\$ 6,149,550	\$ 4,008,032	\$ 48,721,310

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The following summarizes the City’s cash and investments by type as of June 30, 2022:

Deposits:	
Cash on hand	\$ 2,720
Deposits with financial institutions	16,328,123
Total Deposits	<u>16,330,843</u>
Investments:	
Local Agency Investment Fund	26,996,153
CalTrust investment pool	2,497,741
Mutual and money market funds	2,896,573
Total investments	<u>32,390,467</u>
Total City Treasury	48,721,310
Total cash and investments	<u>\$ 48,721,310</u>

A. Cash Deposits

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest and places the City ahead of general creditors of the institution.

The market value of pledged securities must equal at least 110 percent of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes that have a value of 150 percent of the City's total cash deposits. The City has waived the collateral requirements for cash deposits which are fully insured to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

The bank balances before reconciling items totaled \$15,897,356 at June 30, 2022 and were different from carrying amounts due to deposits in transit and outstanding checks. The amount uninsured was \$15,647,356 which was collateralized by securities held by pledging financial institutions.

B. Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

C. Authorized Investments

The table below identifies the investment types that are authorized by the City’s Investment Policy. The table also identifies certain provisions of the City’s Investment Policy that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by

City of Albany
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bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the City’s investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	n/a	n/a	n/a
U.S. Agency Securities	n/a	n/a	n/a
Banker's Acceptance	180 Days	40%	10%
Commercial Paper	270 Days	15%	10%
Medium-Term Notes	One Year	15%	5%
Money Market Mutual Funds	n/a	n/a	n/a
Repurchase Agreements	7 Days	n/a	n/a
Local Agency Investment Fund	n/a	n/a	n/a
Investment Trust of California (CalTrust)	n/a	25%	n/a
Negotiable Certificates of Deposit	One Year	15%	n/a

Debt Service Reserves with trustee are invested in accordance with indentures governing the related debt. The trustee may invest in U.S. treasury notes and bonds, and in pooled investments that invest in those securities.

D. External Investment Pool

The City and The *Albany Police and Fire Relief Pension Trust Fund (the Fund)* are voluntary participants in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The City and the Fund relied upon information provided by the State Treasurer in estimating the City’s fair value position of its holding in LAIF as presented Section E, Risk Disclosures. The fair value change in this investment for the year came to an amount that was not material for presentation in the financial statements.

The City's and the Fund’s investments with LAIF at June 30, 2022, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities.

These investments include the following:

Structured Notes

These are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities

The bulk of asset-backed securities are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The approved investments policy is listed on the LAIF website, located at <http://www.treasurer.ca.gov/pmia-laif/>.

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E. Risk Disclosures

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the term of an investment's maturity, the greater the sensitivity to changes in market interest rates. It is the City's practice to manage its exposure to interest rate risk by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for City's operations. The City monitors the interest rate risk inherent in its portfolio by measuring the maturity of its portfolio. In accordance with the City's investment policy, the City is not allowed to invest more than 25% of its investment portfolio in maturities greater than one year. Investments which exceed five years in maturity require City Council's approval. Further, each individual security is limited to one million dollars. The Fund monitors the interest rate risk inherent in its portfolio by measuring the maturity of its portfolio.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization, such as S&P 500. The City's investments were not assigned ratings by a nationally recognized credit rating organization. The City's and the Fund's general policy is to apply the prudent-investor rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentrations of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2022, the City and the Fund had no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represented 5% or more of the total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a depositor will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the custodial credit risk disclosures noted in Section A, "Cash Deposits" of this disclosure. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

As of June 30, 2022, the City’s investments had the following maturities and ratings:

Investment Type	12 Months or Less	Fair Value	Input Levels
Local Agency Investment Funds	\$ 26,964,252	\$ 26,964,252	n/a
CalTrust investment pool	2,497,741	2,497,741	n/a
Subtotal	29,461,993	29,461,993	
Police and Fire Pension Trust Fund:			
Local Agency Investment Funds	31,901	31,901	n/a
Mutual and money market funds	2,896,573	2,896,573	Level 1
Total Police and Fire Pension Trus Fund	2,928,474	2,928,474	
Total Investments	\$ 32,390,467	\$ 32,390,467	

F. Albany Police and Fire Relief Pension Trust Fund (the Fund)

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market price are reported at estimated fair value. Net gains and losses include gains and losses from the sale of investments and unrealized net increases or decreases in fair value.

Investment Management

Fund investments are managed by an investment manager (Atlantic Trust) under an agreement which authorizes the Manager to purchase and sell securities, within the guidelines of the Fund’s governing board, which meets with the investment manager quarterly.

Investment Policy

The Fund’s Investment Policy allows the Fund to invest in domestic equity, international equity, and debt securities. Each type of investment is subject to a target allocation and includes maximum and minimum general guidelines as a percentage of the overall portfolio as follows:

Authorized Investment Type	Target Allocation	Minimum Percentage of Portfolio	Maximum Percentage of Portfolio
Large Cap Equity	37%	25%	55%
International Equity	9%	5%	15%
Fixed Income	40%	40%	60%
Alternatives	9%	n/a	10%
Cash	5%	n/a	10%

As of June 30, 2022, the Fund’s allocations reflected the general guidelines set by the Fund’s policy as described above.

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

NOTE 4 - INTERFUND TRANSACTIONS

A. Inter-fund Receivables and Payables

Amounts due to or due from other funds reflect inter-fund balances for services rendered or short-term loans expected to be repaid in the next fiscal year. Advances to or from other funds are long-term loans between funds that are to be repaid in their entirety over several years. As of June 30, 2022, inter-fund receivables and payables consisted of the following:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 609,748	\$ -
Nonmajor Funds	-	609,748
Total Due from/to	<u>\$ 609,748</u>	<u>\$ 609,748</u>

B. Transfers In/Out

With Council approval resources may be transferred from one fund to another. Transfers may be made to pay for capital projects or capital outlays, lease or debt service payments, and operating expenses.

The following summarizes transfers between funds during the fiscal year ended June 30, 2022:

<u>Fund</u>	<u>Transfer in</u>	<u>Transfer out</u>
General Fund	\$ 3,446,765	\$ 319,634
Street & Storm Fund	-	344,471
Nonmajor Funds	1,332,176	4,114,836
Total Transfers	<u>\$ 4,778,941</u>	<u>\$ 4,778,941</u>

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

NOTE 5 - CAPITAL ASSETS

Capital assets related to governmental activities consisted of the following as of June 30, 2022:

Governmental Activities	Balance July 1, 2021	Additions	Deletions/ Transfers	Adjustments	Balance June 30, 2022
Non-depreciable:					
Land	\$ 9,443,728	\$ -	\$ -	\$ -	\$ 9,443,728
Construction in Progress	1,947,536	1,161,150	(2,357,313)	-	751,373
Total Non-Depreciable	11,391,264	1,161,150	(2,357,313)	-	10,195,101
Depreciable:					
Buildings	26,538,261	-	-	1,651,817	28,190,078
Improvements other than building	13,309,793	311,410	-	(575,743)	13,045,460
Furniture Fixtures	772,880	26,596	-	-	799,476
Machinery and Equipment	2,575,681	241,026	-	-	2,816,707
Vehicles	4,056,337	172,270	-	(477,656)	3,750,951
Infrastructure	28,151,171	882,876	2,357,313	(2,619,445)	28,771,915
Total Depreciable	75,404,123	1,634,178	2,357,313	(2,021,027)	77,374,587
Less Accumulated Depreciation for:					
Buildings	(8,438,042)	(546,907)	-	(44,197)	(9,029,146)
Improvements other than building	(6,068,247)	(602,285)	-	(884)	(6,671,416)
Furniture Fixtures	(689,083)	(15,079)	-	-	(704,162)
Machinery and Equipment	(2,372,745)	(92,247)	-	(14,629)	(2,479,621)
Vehicles	(3,592,924)	(179,049)	-	560,729	(3,211,244)
Infrastructure	(11,240,759)	(1,091,469)	-	16,436	(12,315,792)
Total Accumulated Depreciation	(32,401,800)	(2,527,036)	-	517,455	(34,411,381)
Total Depreciable Capital Assets - Net	43,002,323	(892,858)	2,357,313	(1,503,572)	42,963,206
Total Governmental Capital Assets	\$ 54,393,587	\$ 268,292	\$ -	\$ (1,503,572)	\$ 53,158,307

Depreciation expense for governmental activities was charged to the following programs during the year:

General Government	\$ 1,586,519
Police	87,595
Fire and Emergency Medical Services	67,228
Community Development and Environmental Services	212,541
Recreation and Community Services	573,153
Total depreciation expense	<u>\$ 2,527,036</u>

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

Capital assets related to business-type activities consisted of the following as of June 30, 2022:

Business Type Activities	Balance July 1, 2021	Additions	Deletions/ Transfers	Adjustments	Balance June 30, 2022
Non Depreciable					
Construction in progress	\$ 2,399,640	\$ 2,147,179	\$ -	\$ -	\$ 4,546,819
Depreciable:					
Buildings	2,320,024	-	-	-	2,320,024
Sewer Lines	33,479,628	24,900	-	-	33,504,528
Machinery and Equipment	98,604	-	-	-	98,604
Total Depreciable	35,898,256	24,900	-	-	35,923,156
Less Accumulated Depreciation					
Buildings	(189,467)	(46,400)	-	-	(235,867)
Sewer Lines	(8,409,464)	(673,790)	-	-	(9,083,254)
Machinery and Equipment	(98,604)	-	-	-	(98,604)
Total Accumulated Depreciation	(8,697,535)	(720,190)	-	-	(9,417,725)
Total Depreciable Capital Assets - Net	27,200,721	(695,290)	-	-	26,505,431
Total Business Type Capital Assets	\$ 29,600,361	\$ 1,451,889	\$ -	\$ -	\$ 31,052,250

NOTE 6 - LONG-TERM LIABILITIES

The City's long-term liabilities consisted of the following as of June 30, 2022:

Governmental Activities	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
General Obligation Bonds:					
2016 GO Refunding Bonds					
2-5%, 8/1/37	\$ 12,370,000	\$ -	\$ (600,000)	\$ 11,770,000	\$ 630,000
Bond Premiums	899,615	-	(56,226)	843,389	-
Subtotal GO Bonds	13,269,615	-	(656,226)	12,613,389	630,000
Direct Borrowings:					
2009 Street & Storm Drain					
Parcel tax note, 4.60%, 8/1/1/21	191,293	-	(191,293)	-	-
2011 California Energy Commission					
1%, 6/2025	87,703	-	(21,599)	66,104	21,816
Lease Agreements:					
2017 Albany Service Center Lease					
3.9%, 9/1/37 (67%)	3,847,343	-	(85,867)	3,761,476	89,277
Lease Purchase Agreements	-	837,619	(36,402)	801,217	74,395
Subtotal Long-Term Debt	17,395,954	837,619	(991,387)	17,242,186	815,488
Claims Payable	412,001	256,941	(169,156)	499,786	190,000
Net Pension Liabilities	43,917,696	38,424,063	(53,402,869)	28,938,890	-
Total OPEB Liability	5,112,285	1,219,171	(1,937,156)	4,394,300	-
Compensated Absences	1,216,265	941,670	(802,735)	1,355,200	894,432
Total Long-Term Liabilities	\$ 68,054,201	\$ 41,679,464	\$ (57,303,303)	\$ 52,430,362	\$ 1,899,920

Business-Type Activities	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
2017 Albany Service Center Lease					
3.9%, 9/1/37 (33%)	\$ 1,923,672	\$ -	\$ (42,934)	\$ 1,880,738	\$ 44,638
2016 Sewer Refunding Bond	2,020,000	-	(555,000)	1,465,000	565,000
Total Long-Term Liabilities	\$ 3,943,672	\$ -	\$ (597,934)	\$ 3,345,738	\$ 609,638

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

2016 General Obligation Refunding Bonds

In September 2016, the City issued the 2016 General Obligation Refunding Bonds in the amount of \$14,750,000. The proceeds were used to refinance the City’s outstanding General Obligation Bonds, Election of 2002, Series 2003, General Obligation Bonds, Election of 2002, Series 2007, and General Obligation Bonds, Election of 2006, Series 2007. Interest payments are due February 1st and August 1st and principal payments are due August 1st of each year, with the final payment due August 1, 2037. The refunding resulting in a difference in aggregate future debt service cash payments in the amount of \$3,687,396 and an economic gain (net present value savings) of \$2,898,165.

The annual debt service requirements were as follows:

Fiscal Year	Pricipal	Interest	Debt Service
2023	\$ 630,000	\$ 351,863	\$ 981,863
2024	665,000	319,488	984,488
2025	700,000	285,363	985,363
2026	735,000	249,488	984,488
2027	775,000	215,613	990,613
2028-2032	4,195,000	789,097	4,984,097
2033-2037	3,480,000	309,653	3,789,653
2038-2042	590,000	8,850	598,850
Total	<u>\$ 11,770,000</u>	<u>\$ 2,529,415</u>	<u>\$ 14,299,415</u>

2009 Street & Storm Drain Parcel Tax Note

In June 2006, voters passed a ballot measure (Measure F) authorizing a street paving and storm drain parcel tax to finance citywide street paving and storm drain facility repairs and improvements. In April 2009, the City entered into a parcel tax note agreement with Capital One Public Financing, LLC in the amount of \$3,465,156. The financing provided funding to advance storm drain improvements. Interest payments are due August 1st and February 1st and beginning in 2010 principal payments are due August 1st and February 1st of each year, with the final payment due August 2, 2021. As of June 30, 2022, the note was fully repaid.

The City was required to maintain amounts of restricted cash and investments with trustees or fiscal agents under the terms of the above debt issues. These funds were pledged as reserves to be used if the City fails to meet its obligations under debt issues. These reserves were liquidated as of June 30, 2022. The California Government Code required these funds to have been invested in accordance with the City ordinance, bond indentures or State statute. All funds were invested as permitted under the Code.

California Energy Commission Note

In March 2010, the City entered into an agreement with the California Energy Commission to replace existing high pressure sodium vapor street lights with energy efficient light-emitting diode lights. As part of this agreement, the City issued a note of \$290,805 with an interest rate of 1% and a term of 14 years.

The annual debt service requirements were as follows:

Fiscal Year	Pricipal	Interest	Debt Service
2023	\$ 21,816	\$ 607	\$ 22,423
2024	22,033	389	22,422
2025	22,255	167	22,422
Total	<u>\$ 66,104</u>	<u>\$ 1,163</u>	<u>\$ 67,267</u>

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

2017 Albany Service Center Lease Purchase

On July 1, 2017, the City entered into a lease purchase agreement with the Albany Public Works Center, LLC for property located at 540 Cleveland Ave, Albany, CA 94705. The lease purchase facilitates the closing of the Design-Build Agreement the City had with C. Overaa & Co (the Company); whereas the Company and the City entered into a lease-leaseback agreement and the Company was required to sell the property back to the City at the end of the Lease. The lease purchase agreement included a principal advance of \$6,211,720 to be repaid monthly by September 1, 2037 at an annual percentage rate of 3.9%.

The annual debt service requirements were as follows:

Fiscal Year	Principal	Interest	Debt Service
2023	\$ 133,915	\$ 217,669	\$ 351,584
2024	139,232	212,352	351,584
2025	144,760	206,824	351,584
2026	150,508	201,077	351,585
2027	156,484	195,101	351,585
2028-2032	880,699	877,223	1,757,922
2033-2037	1,069,986	687,937	1,757,923
2038	2,966,630	28,733	2,995,363
Total	\$ 5,642,214	\$ 2,626,916	\$ 8,269,130

Lease Purchase Agreement

On September 24, 2021, the City entered into a lease purchase agreement with Holman Capital Corporation in the amount of \$837,619 to finance the purchase of a pumper fire truck. Ownership of the pumper truck passes to the City at the end of the 10-year lease, at an annual interest rate of 2.90%. The cost of the fire engine has been included in the City's financial statements.

The annual debt service requirements were as follows:

Fiscal Year	Principal	Interest	Debt Service
2023	\$ 74,395	\$ 22,703	\$ 97,098
2024	76,569	20,527	97,096
2025	78,805	18,290	97,095
2026	81,107	15,988	97,095
2027	83,476	13,619	97,095
2028-2032	406,865	30,064	436,929
Total	\$ 801,217	\$ 121,191	\$ 922,408

Sewer Revenue Bonds

During fiscal year 2016, the City issued \$4,810,000 in Sewer Revenue Bonds, which were used to refund the City's 2004 Sewer Revenue Bonds in the amount of \$5,100,000 as of the issue date. The reacquisition price exceeded the net carrying amount of the old debt by \$68,985. The bonds mature serially, each September 1st, and semi-annual interest payments are due each August 1st and February 1st. The Bonds are special obligations of the City and are secured by and payable solely from operating revenue of the Sewer Enterprise Fund. The interest rate on the bonds is 2.17%. The City has pledged future sewer service charges, net of specified operating expenses, to repay the debt. Annual principal and interest payments on the debt are payable solely from net revenues through 2024. Sewer revenue net of operating expenses (excluding depreciation expense) was \$2,660,751.

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

The annual debt service requirements were as follows:

Fiscal Year	Principal	Interest	Debt Service
2023	\$ 565,000	\$ 28,427	\$ 593,427
2024	575,000	16,112	591,112
2025	325,000	3,526	328,526
Total	<u>\$ 1,465,000</u>	<u>\$ 48,065</u>	<u>\$ 1,513,065</u>

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Litigation

The City is subject to certain matters of litigation arising in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

Federal and State Grant Programs

The City participates in Federal and State grant programs. These programs are audited by the City's independent accountants if required by and in accordance with the provisions of the Uniform Guidance, Generally Accepted Governmental Auditing Standards and applicable State requirements. For Federal programs, the City did not reach the level of qualifying expenditures during the current fiscal year that would require a single audit. Expenditures which may be disallowed, if any, by the granting agencies, cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

NOTE 8 - 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, and natural disasters. The City manages risk by participating public entity risk pools and by retaining certain risks. Public entity risk pools are formally organized separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these risk pools exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the board.

The City participates in the Bay Cities Joint Powers Insurance Authority (BCJPIA) general liability risk pool, which in turn participates in the California Affiliated Risk Management Authorities (CARMA) risk pool. BCJPIA covers general liability claims in an amount up to \$1,000,000. The City has a deductible (or uninsured liability) of up to \$50,000 per claim. Once the City's deductible is met BCJPIA becomes responsible for payments of all claims up to \$1,000,000. CARMA covers claims from \$1,000,000 to \$28,000,000. The City is a participant in the BCJPIA workers compensation risk pool, which in turn participates in the Local Agency Workers Compensation Excess Insurance Joint Powers Authority's (LAWCX) risk pool, and LAWCX in turn purchases coverage above the \$1 million coverage provided by its pool. The City has a self-insured retention of \$150,000 for claims, and the BCJPIA pool covers claims from \$150,000 to \$1,000,000. Claims from \$1,000,000 to the statutory limit are covered by LAWCX.

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

The City's contributions with each risk pool equal the ratio of the City's payroll to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. During the past four fiscal (claims) years, none of the above programs have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year. Financial statements for BCJPIA and LAWCX may be obtained from Bickmore Risk Services, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

The City estimates its liability for the uninsured portion of claims, including a provision for claims incurred but not reported (IBNR), which is based on claims experience and estimates provided by BCJPIA. Changes in the balance of claim liabilities was as follows:

	Worker's Compensation	General Liability	Total
Balance July 1, 2020	\$ 454,740	\$ 45,275	\$ 500,015
Increase (Decrease) in current			
year claims and changes in estimates	103,738	(23,703)	80,035
Claims paid	<u>(151,931)</u>	<u>(16,118)</u>	<u>(168,049)</u>
Balance June 30, 2021	406,547	5,454	412,001
Increase (Decrease) in current			
year claims and changes in estimates	219,229	37,712	256,941
Claims paid	<u>(162,214)</u>	<u>(6,942)</u>	<u>(169,156)</u>
Balance June 30, 2022	<u>\$ 463,562</u>	<u>\$ 36,224</u>	<u>\$ 499,786</u>

NOTE 9 - RETIREMENT PLANS

A. Summary of Pension Plan Balances

The following summarizes the pension plan balance as of June 30, 2022:

Description	Plan Type	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Police and Fire Relief Fund	Single Employer	\$ 9,782,207	\$ 765,322	\$ 527,149	\$ 870,758
CalPERS Misc and Safety	Cost Sharing	19,156,683	9,726,343	17,096,671	3,079,668
Totals		<u>\$ 28,938,890</u>	<u>\$ 10,491,665</u>	<u>\$ 17,623,820</u>	<u>\$ 3,950,426</u>

B. Single Employer Plan - Police and Fire Relief Fund

Plan Description

The Police and Fire Relief or Pension Fund (Pension Fund) is governed by Section 9.01 of the Charter of the City of Albany (the City) and is a sole employer defined benefit pension plan for the City's police and fire department employees hired before July 1, 1971. The Pension Fund is closed to new participants. Benefit provisions and other requirements are established by the City Charter.

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

Benefits Provided

A summary of the plan benefits are presented below:

Service Requirement			Death Benefit		
Eligibility:	Age 50 with 25 years of service, or 30 years of service regardless of age		Eligibility:	Death after retirement	
Amount:	Years of Service	Percentage of Average Yearly Salary	Amount:	Years Married at Retirement	Percentage of Average Yearly Salary
	25	50.00%		Less than five	16.67%
	26	53.33%		At least five	50.00%
	27	56.67%			
	28	60.00%			
	29	63.33%			
	30	66.67%			

**Average yearly salary means the average yearly salary for the rank in the three years prior to

**Benefits are payable to eligible children if there is no spouse eligible for death benefits.

A member’s pension for service retirement or duty-related disability increases during the member’s lifetime in conjunction with increases in salary for the rank used in the benefit determination.

Employees Covered

At June 30, 2022, the following employees were covered by the benefit terms for the Plans:

Inactive employees receiving benefits	<u>16</u>
Total Employees Covered	<u><u>16</u></u>

Contributions

The City Charter requires an annual contribution to the Pension Fund equal to 18 percent of the gross wages of active members; however, there are no active members and the Pension Fund is closed to new participants. The funding policy of the Board of Trustees is to make a minimum contribution upon completion of the actuarial valuation, as required to amortize any unfunded liability over the expected life of the Pension Fund. The unfunded Actuarial Liability is funded as a level dollar amount over a 10-year period from July 1, 2019.

For the year ended June 30, 2022, the following contributions were made:

Contributions - employer	<u>\$ 500,000</u>
Total contributions	<u><u>\$ 500,000</u></u>

Pension Liabilities and Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

The City’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2022.

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

The following summarizes the changes in the net pension liability:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2021	\$ 14,218,991	\$ 3,703,012	\$ 10,515,979
Interest in Total Pension Liability	358,560	-	358,560
Changes in assumptions	557,381	-	557,381
Employer contributions	-	847,799	(847,799)
Net investment income	-	833,000	(833,000)
Benefit payments	(1,274,381)	(1,274,381)	-
Administrative expenses	-	(23,054)	23,054
Other	-	(8,032)	8,032
Net changes	(358,440)	375,332	(733,772)
Balance at June 30, 2022	\$ 13,860,551	\$ 4,078,344	\$ 9,782,207

For the year ended June 30, 2022, the City recognized pension expense of \$870,758.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 500,000	\$ -
Net differences between projected and actual earnings on plan investments	265,322	527,149
Total	\$ 765,322	\$ 527,149

The City reported \$500,000 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Recognized to Pension Expense
2023	\$ (25,745)
2024	(45,255)
2025	(59,039)
2026	(131,788)
Total	\$ (261,827)

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	3.76%
Inflation	2.50%
Projected Salary Increase	3.00%
Investment Rate of Return	5.00%
Mortality	2021 CalPERS Study

Discount Rate

The discount rate used to measure the total pension liability was 3.76%. The projection of cash flows used to determine the discount rate assumed that contributions would continue to follow the current funding policy. Based on those assumptions, the Pension Fund's fiduciary net position was projected to be available to make projected future benefit payments of current members through 2038.

The discount rate was determined by blending the expected return on assets (5%) with the weighted average yield of S&P Municipal Bond 20-year High Grade Rate Index as of June 30, 2022 (3.69%).

Best estimates of arithmetic long-term expected rates of return for each major asset class included in the Pension Fund's target asset allocation are summarized in the following table (note that the rates shown below include the inflation component):

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity Large Cap	37%	6.6%
International Equity	9%	6.6%
Fixed Income	40%	2.2%
Alternatives	14%	1.6%
Total	100%	

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	1.12%
Net Pension Liability	\$ 10,791,304
Current Discount Rate	2.12%
Net Pension Liability	\$ 9,782,207
1% Increase	3.12%
Net Pension Liability	\$ 8,893,073

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial reports available from the City of Albany.

C. CalPERS Cost Sharing Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous and Safety Employee Pension Plans (the Plans); cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of fulltime employment. The cost-of-living adjustments for the Plans are applied as specified by the Public Employees’ Retirement Law. The Plans’ provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous		
	Tier 1	Tier 2	PEPRA
Hire date	< 1/1/2013	< 1/1/2013	≥ 1/1/2013
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 Years	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	55	60	62
Monthly benefits as a % of eligible compensation	2.50%	2.00%	2.00%
Required employee contribution rates	7.960%	6.920%	6.750%
Required employer contribution rates	11.590%	8.650%	7.590%
Total combined rate	19.550%	15.570%	14.340%

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

	Fire		
	Tier 1	Tier 2	PEPRA
Hire date	< 1/1/2013	< 1/1/2013	>= 1/1/2013
Benefit formula	3% @ 55	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 Years	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	55	55	57
Monthly benefits as a % of eligible compensation	3.00%	3.00%	2.70%
Required employee contribution rates	8.990%	8.990%	13.000%
Required employer contribution rates	21.790%	20.640%	13.130%
Contractual employee contribution rates	12.000%	12.000%	13.000%
Contractual employer contribution rates	18.780%	17.630%	13.130%
Total combined rate	30.780%	29.630%	26.130%

	Police	
	Tier 1	PEPRA
Hire date	< 1/1/2013	>= 1/1/2013
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	55	57
Monthly benefits as a % of eligible compensation	3.00%	2.70%
Required employee contribution rates	8.990%	13.000%
Required employer contribution rates	21.790%	13.130%
Contractual employee contribution rates	12.000%	13.000%
Contractual employer contribution rates	18.780%	13.130%
Total combined rate	30.780%	26.130%

Employees Covered

At June 30, 2022, the following employees were covered by the benefit terms for the Plans:

	Miscellaneous	Safety
Active	58	42
Transferred	43	18
Separated	35	14
Retired	89	63
Total	225	137

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rates are the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

For the year ended June 30, 2022, the following contributions were made:

	<u>Employer Contributions</u>
Miscellaneous	\$ 3,328,084
Safety	1,195,902
Total Employer Contributions	<u>\$ 4,523,986</u>

Pension Liabilities and Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the City reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	<u>Proportionate Share of Net Pension Liability/(Asset)</u>
Miscellaneous	\$ 6,397,197
Safety	12,759,486
Total	<u>\$ 19,156,683</u>

The City's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans are measured as of June 30, 2021, and the total pension liability for the Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Plans as of June 30, 2021 and 2022 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Combined Plans</u>
Proportion - June 30, 2021	0.24965%	0.34329%	0.30699%
Proportion - June 30, 2022	0.33691%	0.36357%	0.35421%
Change - Increase/(Decrease)	<u>0.08726%</u>	<u>0.02028%</u>	<u>0.04722%</u>

For the year ended June 30, 2022, the City recognized pension expense of \$3,079,668.

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Misc and Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ -
Differences between Expected and Actual Experience	2,897,324	-
Differences between Projected and Actual Investment Earnings	-	13,178,761
Differences between Employer's Contributions and Proportionate Share of Contributions	1,109,096	3,721,498
Change in Employer's Proportion	1,195,936	196,411
Pension Contributions Made Subsequent to Measurement Date	4,523,986	-
Total	\$ 9,726,342	\$ 17,096,670

The City reported \$4,523,986 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous	Safety	Total
2022	\$ 28,714	\$ 62,410	\$ 91,124
2023	355,561	384,055	739,616
2024	387,338	222,500	609,838
2025	150,036	249,072	399,108
2026	-	-	-
Thereafter	-	-	-
Total	\$ 921,649	\$ 918,037	\$ 1,839,686

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	(1)
Investment Rate of Return	7.15% (2)
Retirement Age	(3)
Mortality	(3)

- (1) Varies by age and service
- (2) Net of pension plan investment expenses, including inflation
- (3) Derived using CalPERS' membership data for all funds

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent for the Plans. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plans, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website. According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15 percent investment return assumption used in this accounting valuation is net of administrative expenses.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

- (a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (b) An expected inflation of 2.0% used for this period.
- (c) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety	Combined
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 11,651,423	25,235,339	\$ 36,886,761
Current	7.15%	7.15%	7.15%
Net Pension Liability	\$ 6,397,197	12,759,486	\$ 19,156,683
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 2,053,603	2,512,114	\$ 4,565,717

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

The City of Albany Retiree Health Plan is a single employer defined benefit healthcare plan administered by the California Public Employees' Retirement System (CalPERS). The Plan provides medical insurance benefits to eligible retirees and their eligible dependents. In accordance with Public Employees' Retirement Law (Article 2), the CalPERS Board of Administration has the responsibility to approve health benefit plans and may contract with carriers offering health benefit plans. The Board of Administration is responsible for adopting all rules and regulations, including the scope and content of basic health plans. The California Government Code also defines certain rules for contract agencies to purchase health insurance benefits.

Benefits Provided

Eligibility for retiree health benefits requires retirement from the City on or after age 50 (age 52 for PEPPRA New hires) with at least five years of CalPERS service. Eligible employees who were hired prior to July 1, 2005, receive 100% of medical premium to age 65, subject to the following age and service requirements. Employees who retire on or after age 63 with at least five years of service will receive 100% of the medical premium for employee only coverage. Employees who retire at on or after age 60 with at least 10 years of service will receive 100% of the medical premium for employee, spouse and dependent coverage. Eligible employees who were hired on or after July 1, 2005, but before January 1, 2016, receive 100% of medical premium to from age 55 to age 65, subject to the following age and service requirements. Employees who retire with at least 10 years of service will receive 100% of the medical premium for employee only coverage. Employees who retire with at least 15 years of service will receive 100% of the medical premium for employee and spouse coverage. Employees who retire with at least 20 years of service will receive 100% of the medical premium for employee, spouse and dependent coverage. City Council, City Manager and City Clerks receive who retire with at least four years of service receive four years of medical coverage for employee, spouse and dependent coverage. They will receive an additional six months for each year served beyond four. Eligible Employees hired after the dates listed above, or with less than 10 years of service will receive the PEMHCA minimum benefit.

Employees Covered by Benefit Terms

At June 30, 2021 (the valuation date), the benefit terms covered the following employees:

Active employees	96
Inactive employees	61
Total employees	<u>157</u>

Contributions

The City makes contributions based on a pay-as-you go basis as approved by the authority of the City's Board. Total benefit payments included in the measurement period were \$70,363. The City's contributions, which equal the benefit payments, were .78% of covered employee payroll during the measurement period June 30, 2022 (reporting period June 30, 2022). Employees are not required to contribute to the plan. There have been no assets accumulated in a trust to provide for the benefits of this plan.

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

Actuarial Assumptions

The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

Valuation Date:	June 30, 2021
Measurement Date:	June 30, 2022
Actuarial Cost Method:	Entry-Age Normal Cost Method
Amortization Period:	20 years
Actuarial Assumptions:	
Discount Rate	3.69%
Inflation	9.25%
Payroll Increases	2.75%
Trend Rate	6.50% to 4.04%
Municipal Bond Rate	3.69%
Mortality	Derived using CalPERS membership data for all funds

Discount Rate

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Changes in the Total OPEB Liability

The following summarizes the changes in the total OPEB liability during the year ended June 30, 2022, for the measurement date of June 30, 2022:

Fiscal Year Ended June 30, 2022	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2021	\$ 5,112,285	\$ -	\$ 5,112,285
Service cost	354,902	-	354,902
Interest in Total OPEB Liability	103,102	-	103,102
Balance of diff between actual and exp experience	(13,089)	-	(13,089)
Balance of changes in assumptions	(968,217)	-	(968,217)
Benefit payments	(70,363)	-	(70,363)
Implicit rate subsidy fulfilled	(124,320)	-	(124,320)
Net changes	(717,985)	-	(717,985)
Balance at June 30, 2022	\$ 4,394,300	\$ -	\$ 4,394,300
Covered Employee Payroll	\$ 9,034,749		
Total OPEB Liability as a % of Covered Employee Payroll	48.64%		
Service Cost as a % of Covered Employee Payroll	3.93%		

The City's plan is nonfunded, meaning there have not been assets placed into an irrevocable trust, therefore the plan fiduciary net position is zero.

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

Deferred Inflows and Outflows of Resources

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ -	\$ 552,236
Change in assumptions	117,186	-
Totals	\$ 117,186	\$ 552,236

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

Year Ended June 30,	
2023	\$ (2,493)
2024	(2,493)
2025	(2,493)
2026	(152,226)
2027	(93,719)
Thereafter	(181,626)
Total	\$ (435,050)

OPEB Expense

The following summarizes the OPEB expense by source during the year ended June 30, 2022, for the measurement date of June 30, 2021:

Service cost	\$ 354,902
Interest in TOL	103,102
Difference between actual and expected experience	(134,161)
Change in assumptions	131,668
OPEB Expense	\$ 455,511

The following summarizes changes in the total OPEB liability as reconciled to OPEB expense during the year ended June 30, 2022, for the measurement date of June 30, 2021:

Total OPEB liability ending	\$ 4,394,300
Total OPEB liability beginning	(5,112,285)
Change in total OPEB liability	(717,985)
Changes in deferred outflows	1,099,885
Changes in deferred inflows	(121,072)
Employer contributions and implicit subsidy	194,683
OPEB Expense	\$ 455,511

City of Albany
Notes to the Basic Financial Statements
June 30, 2022

Sensitivity to Changes in the Municipal Bond Rate

The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a municipal bond rate (used to determine the discount rate) that is one percentage point lower or one percentage point higher, is as follows:

	Municipal Bond Rate		
	(1% Decrease)	3.69%	(1% Increase)
Total OPEB Liability	\$ 4,903,140	\$ 4,394,300	\$ 3,965,267

Sensitivity to Changes in the Healthcare Cost Trend Rates

The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

	Trend Rate		
	(1% Decrease)	6.50%	(1% Increase)
Total OPEB Liability	\$ 3,829,505	\$ 4,394,300	\$ 5,089,668



REQUIRED SUPPLEMENTARY INFORMATION

City of Albany
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property taxes	\$ 8,035,000	\$ 8,035,000	\$ 9,076,931	\$ 1,041,931
Sales and use taxes	3,925,000	3,925,000	4,895,260	970,260
Franchise and other taxes	5,622,800	5,622,800	6,825,481	1,202,681
License and permits	455,200	455,200	669,325	214,125
Fines and forfeitures	270,000	270,000	233,195	(36,805)
Investment earnings	490,000	490,000	24,177	(465,823)
Intergovernmental revenues	276,000	243,000	719,354	476,354
Charges for services	937,800	937,800	1,107,079	169,279
Rents and concessions	135,000	135,000	300,674	165,674
Other revenues	62,291	61,400	40,407	(20,993)
Total Revenues	20,209,091	20,175,200	23,891,883	3,716,683
EXPENDITURES				
Current:				
General Government	7,787,616	7,680,675	8,473,843	(793,168)
Police	7,858,382	7,858,382	7,474,600	383,782
Fire and emergency medical services	3,328,617	3,328,617	3,297,404	31,213
Community development and environmental services	5,130,315	5,127,239	4,655,935	471,304
Recreation and community services	1,999,533	2,042,533	2,079,875	(37,342)
Capital outlay	(149,805)	(176,841)	36,012	(212,853)
Debt service				
Principal retirement	22,000	22,000	143,869	(121,869)
Interest and fiscal charges	2,000	2,000	154,850	(152,850)
Total Expenditures	25,978,658	25,884,605	26,316,388	(431,783)
Excess (Deficiency) of Revenues over Expenditures	(5,769,567)	(5,709,405)	(2,424,505)	3,284,900
OTHER FINANCING SOURCES (USES)				
Proceeds from lease financing	-	-	837,619	837,619
Transfers in	4,616,218	4,616,218	3,446,765	(1,169,453)
Transfers out	(343,755)	(343,755)	(319,634)	24,121
Total Other Financing Sources (Uses)	4,272,463	4,272,463	3,964,750	(307,713)
Net Change in Fund Balance	(1,497,104)	(1,436,942)	1,540,245	2,977,187
Fund Balance Beginning	10,045,457	10,045,457	10,045,457	-
Prior Period Adjustments - Cash Allocations	-	-	2,565	2,565
Fund Balance Beginning, as Adjusted	10,045,457	10,045,457	10,048,022	2,565
Fund Balance Ending	\$ 8,548,353	\$ 8,608,515	\$ 11,588,267	\$ 2,979,752

Expenditures in excess of appropriations were covered by budgets in other objects/functions or beginning fund balance.

The accompanying notes are an integral part of these financial statements

City of Albany
Required Supplementary Information
Schedule of Pension Contributions
Single Employer Plan (Police and Fire Relief Fund)
June 30, 2022

Fiscal Year Ended	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions (Actuarially Determined)	\$ 1,038,051	\$ 844,500	\$ 844,500	\$ 218,723	\$ 218,723	\$ 218,723	\$ 82,401	\$ 82,401
Contributions in Relation to Actuarially Determined Contributions	(500,000)	(847,799)	(218,723)	(218,723)	(218,723)	-	-	(82,401)
Contribution Deficiency (Excess)	\$ 538,051	\$ (3,299)	\$ 625,777	\$ -	\$ -	\$ 218,723	\$ 82,401	\$ -
Covered Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes to Schedule:

Valuation Date: June 30, 2022
Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll (Closed) Used Amortization Method
Discount Rate 3.76%
Cost of Living Increase 3%
Inflation Assumed at 2.50%
Investment Rate of Returns set at 5%
Mortality based on assumption for Public Safety members published in Dec. 2021 CalPERS Study

** Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

City of Albany
Required Supplementary Information
Schedule of Changes in Net Pension Liability
Single Employer Plan (Police and Fire Relief Fund)
June 30, 2022

Fiscal Year Ended	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Interest	\$ 358,560	\$ 595,964	\$ 542,063	\$ 563,799	\$ 556,000	\$ 689,200	\$ 667,736	\$ 774,708
Differences between expected and actual experience	-	611,422	-	(627,406)	-	-	1,348,531	-
Changes of assumptions	557,381	2,635,181	(1,012,401)	1,667,884	(377,454)	1,228,156	499,219	945,018
Benefit payments	(1,274,381)	(1,279,094)	(1,257,130)	(1,279,564)	(1,283,577)	(1,351,708)	(1,411,164)	(1,384,481)
Net change in total pension liability	(358,440)	2,563,473	(1,727,468)	324,713	(1,105,031)	565,648	1,104,322	335,245
Total pension liability - beginning	14,218,991	11,655,518	13,382,986	13,058,273	14,163,304	13,597,656	12,493,334	12,158,089
Total pension liability - ending	<u>\$ 13,860,551</u>	<u>\$ 14,218,991</u>	<u>\$ 11,655,518</u>	<u>\$ 13,382,986</u>	<u>\$ 13,058,273</u>	<u>\$ 14,163,304</u>	<u>\$ 13,597,656</u>	<u>\$ 12,493,334</u>
Plan fiduciary net position								
Employer contributions	\$ 847,799	\$ 218,723	\$ 218,723	\$ 218,723	\$ 218,723	\$ -	\$ -	\$ 82,401
Net investment income	833,000	(102,606)	242,600	313,712	887,945	(103,177)	131,946	1,287,597
Benefit payments	(1,274,381)	(1,279,094)	(1,257,130)	(1,279,564)	(1,283,577)	(1,351,708)	(1,411,164)	(1,384,481)
Other	(8,032)	-	284	(92,454)	-	-	-	-
Administrative expense	(23,054)	(20,921)	(42,623)	(101,709)	-	-	-	-
Net change in plan fiduciary net position	375,332	(1,183,898)	(838,146)	(941,292)	(176,909)	(1,454,885)	(1,279,218)	(14,483)
Plan fiduciary net position - beginning	3,703,012	4,886,910	5,725,056	6,666,348	6,843,257	8,298,142	9,577,360	9,591,843
Plan fiduciary net position - ending	<u>\$ 4,078,344</u>	<u>\$ 3,703,012</u>	<u>\$ 4,886,910</u>	<u>\$ 5,725,056</u>	<u>\$ 6,666,348</u>	<u>\$ 6,843,257</u>	<u>\$ 8,298,142</u>	<u>\$ 9,577,360</u>
Net pension liability	9,782,207	10,515,979	6,768,608	7,657,930	6,391,925	7,320,047	5,299,514	2,915,974
Plan fiduciary net position as a percentage of the total pension liability	29.42%	26.04%	41.93%	42.78%	51.05%	48.32%	61.03%	76.66%

Notes to Schedule:

The plan is closed to new members and currently has no active members, hence covered payroll for the plan is zero for all years presented.

There were no changes in benefit terms.

Inflation was adjusted from 2.5% to 2.25% during FY21, and back to 2.5% in FY22.

The discount rate changed from 5.66% to 5.33% in FY16; 4.11% in FY17, 4.54% in FY18; 4.25% in FY19; 5.41% in FY20; 2.64% in FY21; and 3.76% in FY22.

In FY 19, the expected investment return decreased from 6.75% to 6.00%, and the municipal bond index rate changed from 3.13% to 3.62% based on updated index rates. In FY20, expected investment return decreased to 5%.

Change in mortality assumptions from RP-2000, projected seven years from the valuation date on a static basis to RP-2000, projected ten years from the valuation date on a static basis.

City of Albany
Required Supplementary Information
Schedule of Pension Contributions
CalPERS Cost Sharing Plans
June 30, 2022

Miscellaneous and Safety Plan								
Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contributions	\$ 1,231,831	\$ 1,498,446	\$ 1,570,862	\$ 1,814,405	\$ 2,590,176	\$ 2,737,400	\$ 3,590,703	\$ 4,523,986
Contributions in Relation to								
Contractually Required Contributions	1,231,831	1,498,446	1,570,862	1,814,405	2,590,176	2,737,400	3,590,703	4,523,986
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 8,831,933	\$ 9,368,339	\$ 9,649,389	\$ 9,938,871	\$ 10,237,037	\$ 10,710,822	\$ 11,005,370	\$ 10,910,711
Contributions as a % of Covered Payroll	13.95%	15.99%	16.28%	18.26%	25.30%	25.56%	32.63%	41.46%

Notes to Schedule:

Valuation Date: June 30, 2020
Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll and Direct Rate Smoothing
3.8 Years Remaining Amortization Period
Inflation Assumed at 2.50%
Investment Rate of Returns set at 7.00%
CalPERS mortality table based on CalPERS' experience and include 15 years of projected ongoing mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.
The CalPERS discount rate was increased from 7.50% to 7.65% in fiscal year 2016, and then to 7.15% in 2018.
The CalPERS mortality assumptions was adjusted in fiscal year 2019.

City of Albany
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
CalPERS Cost Sharing Plans
June 30, 2022

Miscellaneous and Safety Plan								
Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2021	2022
Proportion of Net Pension Liability (Safety and Misc)	0.26355%	0.26297%	0.27660%	0.27976%	0.28894%	0.29645%	0.30699%	0.35421%
Proportionate Share of Net Pension Liability	\$ 16,399,349	\$ 18,050,164	\$ 23,934,673	\$ 27,744,343	\$ 27,843,033	\$ 30,377,500	\$ 33,401,717	\$ 19,156,683
Covered Payroll	\$ 8,553,930	\$ 8,831,933	\$ 9,368,339	\$ 9,649,389	\$ 9,938,871	\$ 10,237,037	\$ 10,710,822	\$ 11,005,370
Proportionate Share of NPL as a % of Covered Payroll	191.72%	204.37%	255.48%	287.52%	280.14%	296.74%	311.85%	174.07%
Plan's Fiduciary Net Position as a % of the TPL	79.56%	76.73%	75.75%	74.21%	75.37%	74.68%	73.55%	85.54%

Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.

The CalPERS discount rate was increased from 7.50% to 7.65% in fiscal year 2016, and then to 7.15% in 2018.

The CalPERS mortality assumptions was adjusted in fiscal year 2019.

City of Albany
Required Supplementary Information
Schedule of Changes in Total OPEB Liability
June 30, 2022

Fiscal Year Ended	2018	2019	2020	2021	2022
Total OPEB liability					
Service cost	\$ 244,341	\$ 260,164	\$ 266,060	\$ 192,622	\$ 354,902
Interest	119,827	129,175	139,035	112,740	103,102
Differences between expected and actual experience	-	54	(1,170,009)	1,460,599	(13,089)
Changes of assumptions	-	10,072	188,223	359,665	(968,217)
Benefit payments	(28,742)	(42,942)	(45,742)	(51,143)	(70,363)
Implicit subsidy fulfilled	(72,983)	(78,092)	(83,558)	(27,217)	(124,320)
Net change in Total OPEB Liability	262,443	278,431	(705,991)	2,047,266	(717,985)
Total OPEB Liability - beginning	3,230,136	3,492,579	3,771,010	3,065,019	5,112,285
Total OPEB Liability - ending	\$ 3,492,579	\$ 3,771,010	\$ 3,065,019	\$ 5,112,285	\$ 4,394,300
Plan fiduciary net position					
Net change in plan fiduciary net position	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability (asset)	\$ 3,492,579	\$ 3,771,010	\$ 3,065,019	\$ 5,112,285	\$ 4,394,300
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 11,107,696	\$ 11,421,795	\$ 11,735,894	\$ 9,156,822	\$ 8,516,912
Net OPEB liability as a percentage of covered employee payroll	31.44%	33.02%	26.12%	55.83%	51.59%
Total OPEB liability as a percentage of covered employee payroll	31.44%	33.02%	26.12%	55.83%	51.59%

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

There were no changes in benefit terms.

The Discount Rate decreased from 3.50% to 3.13% in 2019, 2.45% in 2020, 1.92% in 2021, and 3.69 in 2022.

The Healthcare Trend rate changed from trending 7.00% to 3.84%, to 7% to 4.04%.

The inflation rate changed from 2.5% to 9.25% in 2022.

There were no changes in expected payroll growth.

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.



SUPPLEMENTARY INFORMATION

COMBINING NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds account for revenues derived from specific revenue sources. These funds are required by statute, ordinance, or grantor restrictions to finance specified functions or activities of government.

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities and equipment, other than those financed by proprietary funds.

NONMAJOR DEBT SERVICE FUNDS

Debt Service Funds account for financial resources used to pay the City's long-term debt.

City of Albany
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Total Special Revenue Funds	Total Capital Projects Funds	Total Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 15,433,972	\$ 3,919,978	\$ 104,696	\$ 19,458,646
Accounts receivable	10,815	-	-	10,815
Due from other governments	125,144	-	-	125,144
Total assets	\$ 15,569,931	\$ 3,919,978	\$ 104,696	\$ 19,594,605
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 644,182	\$ 85,626	\$ -	\$ 729,808
Deposits and other liabilities	1,014	-	-	1,014
Due to other funds	609,748	-	-	609,748
Total liabilities	1,254,944	85,626	-	1,340,570
Fund Balances:				
Restricted:				
Police and Fire pension and retirement benefits	391,501	-	-	391,501
Law enforcement and training	1,136,575	-	-	1,136,575
Transportation projects	6,408,176	-	-	6,408,176
Recreation playfields, open space and creek restoration	1,095,048	1,367,809	-	2,462,857
Lighting and landscape projects	514,246	-	-	514,246
Sidewalks	653,135	-	-	653,135
COVID-19 recovery	2,140,442	-	-	2,140,442
Library	890,750	-	-	890,750
Collision response and Extrication	12	-	-	12
Prevention of nonpoint source pollution	1,344,078	-	-	1,344,078
Waste reduction and management	173,840	-	-	173,840
Transition improvement plan	3,398	-	-	3,398
Public art promotion	-	182,090	-	182,090
Community capital improvements	-	309,132	-	309,132
Debt service	-	-	104,696	104,696
Assigned:				
Economic development and land use	-	190,112	-	190,112
Police vehicles and equipment	-	57,812	-	57,812
Emergency medical services equipment	-	220,500	-	220,500
Fire operations equipment	-	340,985	-	340,985
Information technology equipment replacement	-	272,957	-	272,957
Public works and park equipment	-	508,833	-	508,833
General city projects	-	334,122	-	334,122
KALB equipment replacement	-	50,000	-	50,000
Unassigned	(436,214)	-	-	(436,214)
Total fund balances	14,314,987	3,834,352	104,696	18,254,035
Total liabilities and fund balances	\$ 15,569,931	\$ 3,919,978	\$ 104,696	\$ 19,594,605

City of Albany

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2022

	Total Special Revenue Funds	Total Capital Projects Funds	Total Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 6,340,488	\$ -	\$ 982,911	\$ 7,323,399
Investment earnings	29,838	-	(83)	29,755
Intergovernmental revenues	4,558,368	-	-	4,558,368
Charges for services	964,426	41,997	-	1,006,423
Other revenues	1,083	5,295	-	6,378
Total Revenues	<u>11,894,203</u>	<u>47,292</u>	<u>982,828</u>	<u>12,924,323</u>
EXPENDITURES				
Current:				
General Government	540,187	-	-	540,187
Fire and emergency medical services	2,706,955	-	-	2,706,955
Community development and environmental services	471,010	-	-	471,010
Recreation and community services	1,028,584	89,361	-	1,117,945
Capital outlay	1,198,209	376,796	-	1,575,005
Debt service:				
Principal	-	-	791,292	791,292
Interest and fiscal charges	-	-	387,834	387,834
Total Expenditures	<u>5,944,945</u>	<u>466,157</u>	<u>1,179,126</u>	<u>7,590,228</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,949,258</u>	<u>(418,865)</u>	<u>(196,298)</u>	<u>5,334,095</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	-	-
Transfers in	1,022,924	85,996	223,256	1,332,176
Transfers out	(4,028,840)	(85,996)	-	(4,114,836)
Total Other Financing Sources (Uses)	<u>(3,005,916)</u>	<u>-</u>	<u>223,256</u>	<u>(2,782,660)</u>
Net Change in Fund Balances	2,943,342	(418,865)	26,958	2,551,435
Fund Balances Beginning	<u>11,371,645</u>	<u>4,253,217</u>	<u>77,738</u>	<u>15,702,600</u>
Fund Balances Ending	<u>\$ 14,314,987</u>	<u>\$ 3,834,352</u>	<u>\$ 104,696</u>	<u>\$ 18,254,035</u>

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues derived from specific revenue sources. These funds are required by statute or ordinance to finance particular functions or activities of government. The City's Nonmajor Special Revenue Funds and revenue sources are:

Pension Tax Fund accounts for the balances and expenditures of revenues provided by the special property tax levied to fund the obligations of the City of Albany Police and Fire Relief or Pension Fund (Trust) as well as a portion of the current police and fire retirement benefits.

Emergency Medical Services Fund accounts for revenue received from emergency medical services including ambulance fees and Paramedic Emergency Medical Service and Advanced Life Support assessments. These funds are expended for emergency medical services provided by the City.

Asset forfeiture accounts for assets forfeited by someone convicted of drug sales or manufacturing charges. These funds are restricted to law enforcement and/or training related expenses.

Streets and Roads Measure B Fund accounts for the City's share of a one-half cent sales tax which is restricted for transportation purposes.

Alameda County Measure B Bike and Pedestrian Fund accounts for the City's share of a one-half cent sales tax which is restricted for transportation purposes.

MTC Paratransit Taxi Fund accounts for paratransit transportation services provided to qualified Albany senior residents and to people with disabilities 18 years and over.

Alameda County Vehicle Registration Fee (VRF) Fund accounts for revenue the city receives from the county that is an allocation of vehicle registration fees collected by the State. Expenditures are restricted to transportation purposes.

Gas Tax Fund accounts for revenue received and expended under the State of California, Street and Highways Code Sections 2106, 2107, and 2107.5. These revenues must be expended for street maintenance or construction.

TDA Transportation Development Act Fund accounts for the City's projects funded by the Transportation Development Act.

Safe Routes to School Fund accounts for the grant revenues restricted for the Safe Routes to School program.

State Active Transportation Grant Fund accounts for the grant revenues from the state of California restricted for local transportation.

Alameda County Measure BB Local Streets and Roads Fund accounts for the City's share of a one-half cent sales tax which is restricted for transportation purposes.

Alameda County Measure BB Bike and Pedestrian Fund accounts for the City's share of a one-half cent sales tax which is restricted for transportation purposes.

Alameda County Measure BB Paratransit Fund accounts for grants from Measure BB for paratransit transportation services.

L&LAD 1996-1 Open Space Fund accounts for the purchase of open space on Albany Hill, through the City of Albany Open Space, Recreational Playfield and Creek Restoration Assessment District No. 1996-1.

L&LAD 1996-1 Recreational Playfields Fund accounts for the acquisition, development and maintenance of recreational playfields throughout the City of Albany Open Space, Recreational Playfield and Creek Restoration Assessment District No. 1996-1.

L&LAD 1996-1 Creek Restoration Fund accounts for restoration of creeks through the City of Albany Open Space, Recreational Playfield and Creek Restoration Assessment District No. 1996-1.

Lighting and Landscape District Fund 1998-1 accounts for assessments levied on district property and are used for landscape and lighting projects, services and maintenance, and debt service on the 1997 Refunding COPS.

Sidewalk Parcel Tax Fund accounts for voter approved parcel taxes for repairs to sidewalks and to improve the walkability of the City.

Parks Open Space Fund accounts for resources set-aside for parks and open space.

Library Operations Fund accounts for voter approved parcel taxes in support of library operations.

Measure WW Extended EBRPD Fund accounts for monies received from the East Bay Regional Parks District Measure WW Bonds. These funds are used for rehabilitation and restoration of parks and recreation facilities.

Community Development Block Grant (CDBG) Fund accounts for revenues received and expended under the Federal Community Development Act of 1974. The funds are distributed through the Alameda County Housing and Community Development Department to assist low income and disabled people in Albany.

Federal CARES Act Fund accounts for funds received from the Federal Coronavirus Aid, Relief, and Economic Security Act through the Department of Finance to be used to respond to or mitigate COVID-19.

Law Enforcement Grants Fund accounts for revenues received under Legislation (AB3229) to fund various front-line law enforcement activities.

Fire Grant accounts for expenditures incurred for the Regional Collision Response and Extrication Improvement Program.

Operating Grants Fund accounts for grant revenues and expenditures for general purposes.

Miscellaneous Grants Fund accounts for grant revenues and expenditures for miscellaneous grants.

Storm Drain Fund accounts for revenues and expenditures for programs and activities used to prevent nonpoint source pollution.

Waste Management Fund accounts for monies received from the Alameda County Waste Management Authority. Expenditures are made from this fund on a variety of waste reduction programs to comply with State Legislation AB 939 and for oversight of the City's garbage franchise.

Waterfront Fund accounts for a state grant to prepare a transition improvement plan for the Albany Neck and Bulb area.

Senate Bill 1 (SB1) Fund accounts for state grants for road repair and accountability.

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2022

	Pension Property Tax Fund	Emergency Medical Services Fund	Asset Forfeiture Fund	Streets and Roads Measure B Fund	Alameda County Measure B Bike & Ped. Fund
ASSETS					
Cash and investments	\$ 391,501	\$ 8,038	\$ 59,239	\$ 1,379,850	\$ 244,492
Accounts receivable	-	3,051	-	-	-
Due from other governments	-	-	-	54,175	7,000
Total assets	\$ 391,501	\$ 11,089	\$ 59,239	\$ 1,434,025	\$ 251,492
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 52,963	\$ -	\$ 25,932	\$ 566
Deposits and other liabilities	-	-	1,014	-	-
Due to other funds	-	-	-	-	-
Total liabilities	-	52,963	1,014	25,932	566
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	391,501	-	-	-	-
Law enforcement and training	-	-	58,225	-	-
Transportation projects	-	-	-	1,408,093	250,926
Recreation playfields, open space and creek restoration	-	-	-	-	-
Lighting and landscape projects	-	-	-	-	-
Sidewalks	-	-	-	-	-
COVID-19 recovery	-	-	-	-	-
Library	-	-	-	-	-
Collision response and Extrication	-	-	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	-
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Unassigned	-	(41,874)	-	-	-
Total fund balances	391,501	(41,874)	58,225	1,408,093	250,926
Total liabilities and fund balances	\$ 391,501	\$ 11,089	\$ 59,239	\$ 1,434,025	\$ 251,492

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2022

	MTC Paratransit Taxi Fund	Alameda County VRF Fund	Gas Tax Fund	TDA Transportation Development Act Fund	Safe Routes to School Fund
ASSETS					
Cash and investments	\$ 12,271	\$ 356,335	\$ 848,899	\$ 362,062	\$ 88,037
Accounts receivable	-	-	-	-	-
Due from other governments	3,701	-	-	-	-
Total assets	\$ 15,972	\$ 356,335	\$ 848,899	\$ 362,062	\$ 88,037
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 108	\$ -	\$ 41,059	\$ -	\$ -
Deposits and other liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	108	-	41,059	-	-
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	-	-	-	-	-
Law enforcement and training	-	-	-	-	-
Transportation projects	15,864	356,335	807,840	362,062	88,037
Recreation playfields, open space and creek restoration	-	-	-	-	-
Lighting and landscape projects	-	-	-	-	-
Sidewalks	-	-	-	-	-
COVID-19 recovery	-	-	-	-	-
Library	-	-	-	-	-
Collision response and Extrication	-	-	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	-
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	15,864	356,335	807,840	362,062	88,037
Total liabilities and fund balances	\$ 15,972	\$ 356,335	\$ 848,899	\$ 362,062	\$ 88,037

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2022

	State Active Transportation Grant Fund	Measure BB Local Streets and Roads Fund	Measure BB Bike and Pedestrian Fund	Measure BB Paratransit Fund	L&LAD 1996-1 Open Space Fund
ASSETS					
Cash and investments	\$ 256,683	\$ 2,221,953	\$ 282,729	\$ 113,974	\$ 190,812
Accounts receivable	-	-	-	-	-
Due from other governments	-	50,865	5,701	3,702	-
Total assets	\$ 256,683	\$ 2,272,818	\$ 288,430	\$ 117,676	\$ 190,812
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 97,260	\$ 37,879	\$ 4,424	\$ -	\$ -
Deposits and other liabilities	-	-	-	-	-
Due to other funds	22,706	-	-	-	124,996
Total liabilities	119,966	37,879	4,424	-	124,996
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	-	-	-	-	-
Law enforcement and training	-	-	-	-	-
Transportation projects	136,717	2,234,939	284,006	117,676	-
Recreation playfields, open space and creek restoration	-	-	-	-	65,816
Lighting and landscape projects	-	-	-	-	-
Sidewalks	-	-	-	-	-
COVID-19 recovery	-	-	-	-	-
Library	-	-	-	-	-
Collision response and Extrication	-	-	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	-
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	136,717	2,234,939	284,006	117,676	65,816
Total liabilities and fund balances	\$ 256,683	\$ 2,272,818	\$ 288,430	\$ 117,676	\$ 190,812

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2022

	L&LAD 1996-1 Recreational Playfields Fund	L&LAD 1996-1 Creek Restoration Fund	Lighting and Landscape 1998-1 Fund	Sidewalk Parcel Tax Fund
ASSETS				
Cash and investments	\$ 92,861	\$ 187,420	\$ 519,160	\$ 653,706
Accounts receivable	-	-	1,589	576
Due from other governments	-	-	-	-
Total assets	\$ 92,861	\$ 187,420	\$ 520,749	\$ 654,282
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 6,503	\$ 1,147
Deposits and other liabilities	-	-	-	-
Due to other funds	67,595	-	-	-
Total liabilities	67,595	-	6,503	1,147
Fund Balances:				
Restricted:				
Police and Fire pension and retirement benefits	-	-	-	-
Law enforcement and training	-	-	-	-
Transportation projects	-	-	-	-
Recreation playfields, open space and creek restoration	25,266	187,420	-	-
Lighting and landscape projects	-	-	514,246	-
Sidewalks	-	-	-	653,135
COVID-19 recovery	-	-	-	-
Library	-	-	-	-
Collision response and Extrication	-	-	-	-
Prevention of nonpoint source pollution	-	-	-	-
Waste reduction and management	-	-	-	-
Transition improvement plan	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	25,266	187,420	514,246	653,135
Total liabilities and fund balances	\$ 92,861	\$ 187,420	\$ 520,749	\$ 654,282

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2022

	Parks Open Space Fund	Library Operations Fund	Measure WW Extended EBRPD Bond Fund	CDBG Fund	Federal CARES Act Fund
ASSETS					
Cash and investments	\$ 815,816	\$ 1,074,976	\$ -	\$ -	\$ 2,209,169
Accounts receivable	1,553	2,531	-	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 817,369	\$ 1,077,507	\$ -	\$ -	\$ 2,209,169
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 823	\$ 186,757	\$ 1,183	\$ 18,180	\$ 68,727
Deposits and other liabilities	-	-	-	-	-
Due to other funds	-	-	18,323	32,446	-
Total liabilities	823	186,757	19,506	50,626	68,727
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	-	-	-	-	-
Law enforcement and training	-	-	-	-	-
Transportation projects	-	-	-	-	-
Recreation playfields, open space and creek restoration	816,546	-	-	-	-
Lighting and landscape projects	-	-	-	-	-
Sidewalks	-	-	-	-	-
COVID-19 recovery	-	-	-	-	2,140,442
Library	-	890,750	-	-	-
Collision response and Extrication	-	-	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	-
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Unassigned	-	-	(19,506)	(50,626)	-
Total fund balances	816,546	890,750	(19,506)	(50,626)	2,140,442
Total liabilities and fund balances	\$ 817,369	\$ 1,077,507	\$ -	\$ -	\$ 2,209,169

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2022

	Law Enforcement Grants Fund	Fire Grant Fund	Operating Grants Fund	Miscellaneous Grants Fund	Storm Drain Fund
ASSETS					
Cash and investments	\$ 1,078,350	\$ 12	\$ -	\$ 33,124	\$ 1,378,474
Accounts receivable	-	-	-	-	1,515
Due from other governments	-	-	-	-	-
Total assets	\$ 1,078,350	\$ 12	\$ -	\$ 33,124	\$ 1,379,989
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 13,650	\$ 35,911
Deposits and other liabilities	-	-	-	-	-
Due to other funds	-	-	-	343,682	-
Total liabilities	-	-	-	357,332	35,911
Fund Balances:					
Restricted:					
Police and Fire pension and retirement benefits	-	-	-	-	-
Law enforcement and training	1,078,350	-	-	-	-
Transportation projects	-	-	-	-	-
Recreation playfields, open space and creek restoration	-	-	-	-	-
Lighting and landscape projects	-	-	-	-	-
Sidewalks	-	-	-	-	-
COVID-19 recovery	-	-	-	-	-
Library	-	-	-	-	-
Collision response and Extrication	-	12	-	-	-
Prevention of nonpoint source pollution	-	-	-	-	1,344,078
Waste reduction and management	-	-	-	-	-
Transition improvement plan	-	-	-	-	-
Unassigned	-	-	-	(324,208)	-
Total fund balances	1,078,350	12	-	(324,208)	1,344,078
Total liabilities and fund balances	\$ 1,078,350	\$ 12	\$ -	\$ 33,124	\$ 1,379,989

Cont'd

City of Albany
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2022

	Waste Management Fund	Waterfront Fund	SB1 Fund	Total Special Revenue Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 175,941	\$ 3,398	\$ 394,690	\$ 15,433,972
Accounts receivable	-	-	-	10,815
Due from other governments	-	-	-	125,144
Total assets	\$ 175,941	\$ 3,398	\$ 394,690	\$ 15,569,931
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,101	\$ -	\$ 49,009	\$ 644,182
Deposits and other liabilities	-	-	-	1,014
Due to other funds	-	-	-	609,748
Total liabilities	2,101	-	49,009	1,254,944
Fund Balances:				
Restricted:				
Police and Fire pension and retirement benefits	-	-	-	391,501
Law enforcement and training	-	-	-	1,136,575
Transportation projects	-	-	345,681	6,408,176
Recreation playfields, open space and creek restoration	-	-	-	1,095,048
Lighting and landscape projects	-	-	-	514,246
Sidewalks	-	-	-	653,135
COVID-19 recovery	-	-	-	2,140,442
Library	-	-	-	890,750
Collision response and Extrication	-	-	-	12
Prevention of nonpoint source pollution	-	-	-	1,344,078
Waste reduction and management	173,840	-	-	173,840
Transition improvement plan	-	3,398	-	3,398
Unassigned	-	-	-	(436,214)
Total fund balances	173,840	3,398	345,681	14,314,987
Total liabilities and fund balances	\$ 175,941	\$ 3,398	\$ 394,690	\$ 15,569,931

Concluded

City of Albany
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Pension Property Tax Fund	Emergency Medical Services Fund	Asset Forfeiture Fund	Streets and Roads Measure B Fund	Alameda County Measure B Bike & Ped. Fund
REVENUES					
Property taxes	\$ 3,146,966	\$ 914,081	\$ -	\$ -	\$ -
Investment earnings	-	-	-	3,236	572
Intergovernmental revenues	-	-	-	443,369	58,064
Charges for services	-	807,950	-	-	-
Other revenues	-	-	1,083	-	-
Total Revenues	3,146,966	1,722,031	1,083	446,605	58,636
EXPENDITURES					
Current:					
General Government	500,000	-	-	500	-
Fire and emergency medical services	-	2,706,955	-	-	-
Community development and environmental services	-	-	-	19,817	-
Recreation and community services	-	-	-	-	-
Capital outlay	-	35,422	-	526,791	11,671
Total Expenditures	500,000	2,742,377	-	547,108	11,671
Excess (Deficiency) of Revenues over Expenditures	2,646,966	(1,020,346)	1,083	(100,503)	46,965
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,022,924	-	-	-
Transfers out	(2,942,624)	-	-	-	-
Total Other Financing Sources (Uses)	(2,942,624)	1,022,924	-	-	-
Net Change in Fund Balances	(295,658)	2,578	1,083	(100,503)	46,965
Fund Balances Beginning	687,159	(44,452)	57,142	1,508,596	203,961
Fund Balances Ending	\$ 391,501	\$ (41,874)	\$ 58,225	\$ 1,408,093	\$ 250,926

Cont'd

City of Albany
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	MTC Paratransit Taxi Fund	Alameda County VRF Fund	Gas Tax Fund	TDA Transportation Development Act Fund	Safe Routes to School Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	28	835	2,912	-	-
Intergovernmental revenues	32,693	55,011	404,847	-	-
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
Total Revenues	<u>32,721</u>	<u>55,846</u>	<u>407,759</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental services	-	-	-	-	-
Recreation and community services	33,610	-	-	-	-
Capital outlay	-	21,180	-	-	-
Total Expenditures	<u>33,610</u>	<u>21,180</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(889)</u>	<u>34,666</u>	<u>407,759</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(394,000)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(394,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(889)	34,666	13,759	-	-
Fund Balances Beginning	16,753	321,669	794,081	362,062	88,037
Fund Balances Ending	<u>\$ 15,864</u>	<u>\$ 356,335</u>	<u>\$ 807,840</u>	<u>\$ 362,062</u>	<u>\$ 88,037</u>

Cont'd

City of Albany

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenue Nonmajor Governmental Funds For the Year Ended June 30, 2022

	State Active Transportation Grant Fund	Measure BB Local Streets and Roads Fund	Measure BB Bike and Pedestrian Fund	Measure BB Paratransit Fund	L&LAD 1996-1 Open Space Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	5,207	662	266	3,155
Intergovernmental revenues	-	418,343	47,535	32,957	-
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
Total Revenues	<u>-</u>	<u>423,550</u>	<u>48,197</u>	<u>33,223</u>	<u>3,155</u>
EXPENDITURES					
Current:					
General Government	-	500	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental services	-	5,116	-	-	-
Recreation and community services	-	-	-	4,610	-
Capital outlay	36	-	4,769	-	-
Total Expenditures	<u>36</u>	<u>5,616</u>	<u>4,769</u>	<u>4,610</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(36)</u>	<u>417,934</u>	<u>43,428</u>	<u>28,613</u>	<u>3,155</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(60,802)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,802)</u>
Net Change in Fund Balances	(36)	417,934	43,428	28,613	(57,647)
Fund Balances Beginning	136,753	1,817,005	240,578	89,063	123,463
Fund Balances Ending	<u>\$ 136,717</u>	<u>\$ 2,234,939</u>	<u>\$ 284,006</u>	<u>\$ 117,676</u>	<u>\$ 65,816</u>

Cont'd

City of Albany
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	L&LAD 1996-1 Recreational Playfields Fund	L&LAD 1996-1 Creek Restoration Fund	Lighting and Landscape 1998-1 Fund	Sidewalk Parcel Tax Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ 533,642	\$ 212,644
Investment earnings	1,577	1,577	-	1,532
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	<u>1,577</u>	<u>1,577</u>	<u>533,642</u>	<u>214,176</u>
EXPENDITURES				
Current:				
General Government	-	-	8,920	3,572
Fire and emergency medical services	-	-	-	-
Community development and environmental services	-	-	7,468	5,615
Recreation and community services	-	-	-	-
Capital outlay	-	-	-	184,562
Total Expenditures	<u>-</u>	<u>-</u>	<u>16,388</u>	<u>193,749</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,577</u>	<u>1,577</u>	<u>517,254</u>	<u>20,427</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(17,107)	(30,401)	(290,830)	-
Total Other Financing Sources (Uses)	<u>(17,107)</u>	<u>(30,401)</u>	<u>(290,830)</u>	<u>-</u>
Net Change in Fund Balances	(15,530)	(28,824)	226,424	20,427
Fund Balances Beginning	<u>40,796</u>	<u>216,244</u>	<u>287,822</u>	<u>632,708</u>
Fund Balances Ending	<u>\$ 25,266</u>	<u>\$ 187,420</u>	<u>\$ 514,246</u>	<u>\$ 653,135</u>

Cont'd

City of Albany
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Parks Open Space Fund	Library Operations Fund	Measure WW Extended EBRPD Bond Fund	CDBG Fund	Federal CARES Act Fund
REVENUES					
Property taxes	\$ 482,648	\$ 749,003	\$ -	\$ -	\$ -
Investment earnings	2,529	2,520	-	-	-
Intergovernmental revenues	-	45,020	-	93,057	2,355,852
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
Total Revenues	<u>485,177</u>	<u>796,543</u>	<u>-</u>	<u>93,057</u>	<u>2,355,852</u>
EXPENDITURES					
Current:					
General Government	12,136	-	-	-	14,559
Fire and emergency medical services	-	-	-	-	-
Community development and environmental services	47,156	-	-	-	-
Recreation and community services	-	743,719	-	45,794	200,851
Capital outlay	5	-	-	24,971	-
Total Expenditures	<u>59,297</u>	<u>743,719</u>	<u>-</u>	<u>70,765</u>	<u>215,410</u>
Excess (Deficiency) of Revenues over Expenditures	<u>425,880</u>	<u>52,824</u>	<u>-</u>	<u>22,292</u>	<u>2,140,442</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(263,076)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(263,076)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	162,804	52,824	-	22,292	2,140,442
Fund Balances Beginning	<u>653,742</u>	<u>837,926</u>	<u>(19,506)</u>	<u>(72,918)</u>	<u>-</u>
Fund Balances Ending	<u>\$ 816,546</u>	<u>\$ 890,750</u>	<u>\$ (19,506)</u>	<u>\$ (50,626)</u>	<u>\$ 2,140,442</u>

Cont'd

City of Albany
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Special Revenue Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Law Enforcement Grants Fund	Fire Grant Fund	Operating Grants Fund	Miscellaneous Grants Fund	Storm Drain Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 301,504
Investment earnings	-	-	-	-	3,230
Intergovernmental revenues	161,285	-	5,000	16,135	-
Charges for services	-	-	-	-	156,476
Other revenues	-	-	-	-	-
Total Revenues	<u>161,285</u>	<u>-</u>	<u>5,000</u>	<u>16,135</u>	<u>461,210</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental services	-	-	5,000	114,903	224,541
Recreation and community services	-	-	-	-	-
Capital outlay	20,698	-	-	4,319	-
Total Expenditures	<u>20,698</u>	<u>-</u>	<u>5,000</u>	<u>119,222</u>	<u>224,541</u>
Excess (Deficiency) of Revenues over Expenditures	<u>140,587</u>	<u>-</u>	<u>-</u>	<u>(103,087)</u>	<u>236,669</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	140,587	-	-	(103,087)	236,669
Fund Balances Beginning	<u>937,763</u>	<u>12</u>	<u>-</u>	<u>(221,121)</u>	<u>1,107,409</u>
Fund Balances Ending	<u>\$ 1,078,350</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ (324,208)</u>	<u>\$ 1,344,078</u>

Cont'd

City of Albany

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenue Nonmajor Governmental Funds For the Year Ended June 30, 2022

	Waste Management Fund	Waterfront Fund	SB1 Fund	Total Special Revenue Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 6,340,488
Investment earnings	-	-	-	29,838
Intergovernmental revenues	43,746	-	345,454	4,558,368
Charges for services	-	-	-	964,426
Other revenues	-	-	-	1,083
Total Revenues	<u>43,746</u>	<u>-</u>	<u>345,454</u>	<u>11,894,203</u>
EXPENDITURES				
Current:				
General Government	-	-	-	540,187
Fire and emergency medical services	-	-	-	2,706,955
Community development and environmental services	41,394	-	-	471,010
Recreation and community services	-	-	-	1,028,584
Capital outlay	-	-	363,785	1,198,209
Total Expenditures	<u>41,394</u>	<u>-</u>	<u>363,785</u>	<u>5,944,945</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,352</u>	<u>-</u>	<u>(18,331)</u>	<u>5,949,258</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	1,022,924
Transfers out	(30,000)	-	-	(4,028,840)
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>(3,005,916)</u>
Net Change in Fund Balances	(27,648)	-	(18,331)	2,943,342
Fund Balances Beginning	<u>201,488</u>	<u>3,398</u>	<u>364,012</u>	<u>11,371,645</u>
Fund Balances Ending	<u>\$ 173,840</u>	<u>\$ 3,398</u>	<u>\$ 345,681</u>	<u>\$ 14,314,987</u>

Concluded

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment other than those financed by proprietary funds. The City's Nonmajor Capital Projects Funds are:

Major Planning Reserve is used to account for activities related to broad based economic development and land use.

Public Arts Fund is used to account for a fee of 1.75% of construction cost assessed on certain building permits, as an in-lieu fee in place of the inclusion of a public art feature in new public construction. The use of fees collected is restricted to the promotion of public art.

City Capital Projects Fund is used to account for major capital projects not provided for in one of the other capital projects funds.

Police Equipment Reserve Fund is used to accumulate resources for replacement of police vehicles and equipment.

Emergency Medical Service Equipment Reserve Fund is used to accumulate resources for replacement of emergency medical service equipment.

Fire Operations Equipment Reserve Fund is used to accumulate resources for replacement of fire operations equipment.

Information Systems Fund is used to account for activities related to information systems.

Equipment Replacement Reserve Fund is used to accumulate resources for replacement of equipment not provided in other capital projects funds.

Community Development Equipment Reserve Fund is used to accumulate resources to be used for replacement of public works and park equipment.

KALB Equipment Reserve Fund is used to accumulate resources for replacement of KALB media equipment.

Public Works Equipment Reserve Fund is used to accumulate resources for replacement of public works equipment.

Recreation Equipment Reserve Fund is used to accumulate resources for replacement of recreation equipment.

1996-1 Assessment District Bond Fund is used to account for the acquisition, development and maintenance of recreational play fields, and the activities relating to creek restoration, as part of the Open Space, Recreational Playfields and Creek Restoration Assessment District No. 1996-1.

Capital Facilities Developer Fee Fund is used to account for a fee on new developments, to assist in paying for capital improvements in the community. The fee is based on the City's anticipated capital improvement requirements and the proportion of the cost of these improvements attributable to the new developments.

City of Albany
Combining Balance Sheet
Capital Projects Nonmajor Governmental Funds
June 30, 2022

	Major Planning Fund	Public Arts Fee Fund	City Capital Projects Fund	Police Equipment Fund	EMS Equipment Fund
ASSETS					
Cash and investments	\$ 190,112	\$ 183,090	\$ 397,623	\$ 57,812	\$ 220,500
Total assets	\$ 190,112	\$ 183,090	\$ 397,623	\$ 57,812	\$ 220,500
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 1,000	\$ 63,501	\$ -	\$ -
Total liabilities	-	1,000	63,501	-	-
Fund Balances:					
Restricted:					
Recreation playfields, open space and creek restoration	-	-	-	-	-
Public art promotion	-	182,090	-	-	-
Community capital improvements	-	-	-	-	-
Assigned:					
Economic development and land use	190,112	-	-	-	-
Police vehicles and equipment	-	-	-	57,812	-
Emergency medical services equipment	-	-	-	-	220,500
Fire operations equipment	-	-	-	-	-
Information technology equipment replacement	-	-	-	-	-
Public works and park equipment	-	-	-	-	-
General city projects	-	-	334,122	-	-
KALB equipment replacement	-	-	-	-	-
Unassigned					
	-	-	-	-	-
Total fund balances	190,112	182,090	334,122	57,812	220,500
Total liabilities and fund balances	\$ 190,112	\$ 183,090	\$ 397,623	\$ 57,812	\$ 220,500

Cont'd

City of Albany
Combining Balance Sheet
Capital Projects Nonmajor Governmental Funds
June 30, 2022

	Fire Operations Equipment Fund	Information Systems Fund	Equipment Replacement Reserve Fund	Community Development Equipment Reserve Fund	KALB Equipment Reserve Fund
ASSETS					
Cash and investments	\$ 356,063	\$ -	\$ 279,004	\$ 90,755	\$ 50,000
Total assets	<u>\$ 356,063</u>	<u>\$ -</u>	<u>\$ 279,004</u>	<u>\$ 90,755</u>	<u>\$ 50,000</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 15,078	\$ -	\$ 6,047	\$ -	\$ -
Total liabilities	<u>15,078</u>	<u>-</u>	<u>6,047</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted:					
Recreation playfields, open space and creek restoration	-	-	-	-	-
Public art promotion	-	-	-	-	-
Community capital improvements	-	-	-	-	-
Assigned:					
Economic development and land use	-	-	-	-	-
Police vehicles and equipment	-	-	-	-	-
Emergency medical services equipment	-	-	-	-	-
Fire operations equipment	340,985	-	-	-	-
Information technology equipment replacement	-	-	272,957	-	-
Public works and park equipment	-	-	-	90,755	-
General city projects	-	-	-	-	-
KALB equipment replacement	-	-	-	-	50,000
Unassigned	-	-	-	-	-
Total fund balances	<u>340,985</u>	<u>-</u>	<u>272,957</u>	<u>90,755</u>	<u>50,000</u>
Total liabilities and fund balances	<u>\$ 356,063</u>	<u>\$ -</u>	<u>\$ 279,004</u>	<u>\$ 90,755</u>	<u>\$ 50,000</u>

Cont'd

City of Albany
Combining Balance Sheet
Capital Projects Nonmajor Governmental Funds
June 30, 2022

	Public Works Equipment Reserve Fund	Recreation Equipment Reserve Fund	1996-1 Assessment Bond Fund	Capital Facilities Developer Fee Fund	Total Capital Projects Nonmajor Governmental Funds
ASSETS					
Cash and investments	\$ 250,000	\$ 168,078	\$ 1,367,809	\$ 309,132	\$ 3,919,978
Total assets	<u>\$ 250,000</u>	<u>\$ 168,078</u>	<u>\$ 1,367,809</u>	<u>\$ 309,132</u>	<u>\$ 3,919,978</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 85,626
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,626</u>
Fund Balances:					
Restricted:					
Recreation playfields, open space and creek restoration	-	-	1,367,809	-	1,367,809
Public art promotion	-	-	-	-	182,090
Community capital improvements	-	-	-	309,132	309,132
Assigned:					
Economic development and land use	-	-	-	-	190,112
Police vehicles and equipment	-	-	-	-	57,812
Emergency medical services equipment	-	-	-	-	220,500
Fire operations equipment	-	-	-	-	340,985
Information technology equipment replacement	-	-	-	-	272,957
Public works and park equipment	250,000	168,078	-	-	508,833
General city projects	-	-	-	-	334,122
KALB equipment replacement	-	-	-	-	50,000
Unassigned	-	-	-	-	-
Total fund balances	<u>250,000</u>	<u>168,078</u>	<u>1,367,809</u>	<u>309,132</u>	<u>3,834,352</u>
Total liabilities and fund balances	<u>\$ 250,000</u>	<u>\$ 168,078</u>	<u>\$ 1,367,809</u>	<u>\$ 309,132</u>	<u>\$ 3,919,978</u>

Concluded

City of Albany
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Capital Projects Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Major Planning Fund	Public Arts Fee Fund	City Capital Projects Fund	Police Equipment Fund	EMS Equipment Fund
REVENUES					
Charges for services	\$ 6,386	\$ -	\$ -	\$ -	\$ -
Other revenues	-	-	-	4,795	500
Total Revenues	6,386	-	-	4,795	500
EXPENDITURES					
Current:					
Recreation and community services	-	-	-	-	-
Capital outlay	-	4,100	68,495	127,600	-
Total Expenditures	-	4,100	68,495	127,600	-
Excess (Deficiency) of Revenues over Expenditures	6,386	(4,100)	(68,495)	(122,805)	500
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	6,386	(4,100)	(68,495)	(122,805)	500
Fund Balances Beginning	183,726	186,190	402,617	180,617	220,000
Fund Balances Ending	<u>\$ 190,112</u>	<u>\$ 182,090</u>	<u>\$ 334,122</u>	<u>\$ 57,812</u>	<u>\$ 220,500</u>

Cont'd

City of Albany
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Capital Projects Nonmajor Governmental Fund
For the Year Ended June 30, 2022

	Fire Operations Equipment Fund	Information Systems Fund	Equipment Replacement Reserve Fund	Community Development Equipment Reserve Fund	KALB Equipment Reserve Fund
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ 7,298	\$ -
Other revenues	-	-	-	-	-
Total Revenues	-	-	-	7,298	-
EXPENDITURES					
Current:					
Recreation and community services	-	-	-	-	-
Capital outlay	66,650	91,709	6,047	-	-
Total Expenditures	66,650	91,709	6,047	-	-
Excess (Deficiency) of Revenues over Expenditures	(66,650)	(91,709)	(6,047)	7,298	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	85,996	-	-	-
Transfers out	-	-	(85,996)	-	-
Total Other Financing Sources (Uses)	-	85,996	(85,996)	-	-
Net Change in Fund Balances	(66,650)	(5,713)	(92,043)	7,298	-
Fund Balances Beginning	407,635	5,713	365,000	83,457	50,000
Fund Balances Ending	<u>\$ 340,985</u>	<u>\$ -</u>	<u>\$ 272,957</u>	<u>\$ 90,755</u>	<u>\$ 50,000</u>

Cont'd

City of Albany
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Capital Projects Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Public Works Equipment Reserve Fund	Recreation Equipment Reserve Fund	1996-1 Assessment Bond Fund	Capital Facilities Developer Fee Fund	Total Capital Projects Nonmajor Governmental Funds
REVENUES					
Charges for services	\$ -	\$ 19,414	\$ -	\$ 8,899	\$ 41,997
Other revenues	-	-	-	-	5,295
Total Revenues	-	19,414	-	8,899	47,292
EXPENDITURES					
Current:					
Recreation and community services	-	89,361	-	-	89,361
Capital outlay	-	-	12,195	-	376,796
Total Expenditures	-	89,361	12,195	-	466,157
Excess (Deficiency) of Revenues over Expenditures	-	(69,947)	(12,195)	8,899	(418,865)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	85,996
Transfers out	-	-	-	-	(85,996)
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	-	(69,947)	(12,195)	8,899	(418,865)
Fund Balances Beginning	250,000	238,025	1,380,004	300,233	4,253,217
Fund Balances Ending	<u>\$ 250,000</u>	<u>\$ 168,078</u>	<u>\$ 1,367,809</u>	<u>\$ 309,132</u>	<u>\$ 3,834,352</u>
					Concluded

NONMAJOR DEBT SERVICE FUNDS

Debt Service Funds are used to account for financial resources to be used for payment for City's long-term debt. The City's Nonmajor Debt Service Funds are:

2009 Street & Storm Drain Parcel Tax Debt Service accounts for accumulation of resources for the payments of parcel tax note payable principal and interest of the 2006 Election parcel tax, Series 2009.

2003 G.O. Bond I Debt Service accounts for accumulation of resources for the payments of general obligation bond principal and interest of the 2003 General Obligation Bonds.

2016 G.O. Refunding Bonds accounts for accumulation of resources for the payments of general obligation bond principal and interest of the 2016 General Obligation Refunding Bonds.

City of Albany
Combining Balance Sheet
Debt Service Nonmajor Governmental Funds
June 30, 2022

	2009 St. Paving & Storm Drain Debt Service Fund	2003 GO Bond I Debt Service Fund	2016 GO Refunding Bonds Fund	Total Debt Service Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ -	\$ 8,307	\$ 96,389	\$ 104,696
Total assets	<u>\$ -</u>	<u>\$ 8,307</u>	<u>\$ 96,389</u>	<u>\$ 104,696</u>
FUND BALANCES				
Fund Balances:				
Restricted:				
Restricted for debt service	\$ -	\$ 8,307	\$ 96,389	\$ 104,696
Total fund balances	<u>\$ -</u>	<u>\$ 8,307</u>	<u>\$ 96,389</u>	<u>\$ 104,696</u>

City of Albany

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Debt Service Nonmajor Governmental Funds

For the Year Ended June 30, 2022

	City Debt Service Fund	2003 GO Bond I Debt Service Fund	2016 GO Refunding Bonds Fund	Total Debt Service Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ -	\$ 6,449	\$ 976,462	\$ 982,911
Investment earnings	(83)	-	-	(83)
Total Revenues	<u>(83)</u>	<u>6,449</u>	<u>976,462</u>	<u>982,828</u>
EXPENDITURES				
Debt service				
Principal retirement	191,292	-	600,000	791,292
Interest and fiscal charges	4,470	-	383,364	387,834
Total Expenditures	<u>195,762</u>	<u>-</u>	<u>983,364</u>	<u>1,179,126</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(195,845)</u>	<u>6,449</u>	<u>(6,902)</u>	<u>(196,298)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	223,256	-	-	223,256
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>223,256</u>	<u>-</u>	<u>-</u>	<u>223,256</u>
Net Change in Fund Balances	27,411	6,449	(6,902)	26,958
Fund Balances Beginning	<u>(27,411)</u>	<u>1,858</u>	<u>103,291</u>	<u>77,738</u>
Fund Balances Ending	<u>\$ -</u>	<u>\$ 8,307</u>	<u>\$ 96,389</u>	<u>\$ 104,696</u>



STATISTICAL INFORMATION

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

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

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

5. Net Assessed Value of Property
6. Property Tax Levies and Collections
7. Direct and Overlapping Property Tax Rates
8. Principal Property Taxpayers

Debt Capacity

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:

9. Ratio of General Obligation Bonded Debt to Assessed Value and General Obligation on Bonded Debt Per Capita
10. Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures
11. Ratios of Outstanding Debt by Type
12. Computation of Legal Debt Margin
13. Schedule of Direct and Overlapping Debt

Demographic and Economic Information

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

14. Demographic and Economic Statistics
15. Principal Employers

Operating Information

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:

16. Full-Time Equivalent Employees by Function
17. Operating Indicators by Function
18. Construction Value
19. Miscellaneous Statistics

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

City of Albany
Net Position by Component
Last Ten Fiscal Years

Table 1

	Fiscal Year				
	2013	2014	2015	2016	2017
Primary Government					
Governmental activities:					
Net investment in capital assets	\$ 37,417,000	\$ 40,679,000	\$ 40,665,000	\$ 41,104,000	\$ 39,789,000
Restricted	16,962,000	16,713,000	16,404,000	16,085,000	15,354,000
Unrestricted	14,448,000	15,390,000	(5,887,000)	(6,822,000)	(14,143,000)
Total governmental activities net position	<u>\$ 68,827,000</u>	<u>\$ 72,782,000</u>	<u>\$ 51,182,000</u>	<u>\$ 50,367,000</u>	<u>\$ 41,000,000</u>

	Fiscal Year				
	2018	2019	2020	2021	2022
Primary Government					
Governmental activities:					
Net investment in capital assets	\$ 39,026,000	\$ 54,195,000	\$ 59,067,000	\$ 63,038,000	\$ 63,982,000
Restricted	13,168,000	16,381,000	17,835,000	18,618,000	21,331,000
Unrestricted	(15,032,000)	(19,033,000)	(21,793,000)	(25,572,000)	(23,324,000)
Total governmental activities net position	<u>\$ 37,162,000</u>	<u>\$ 51,543,000</u>	<u>\$ 55,109,000</u>	<u>\$ 56,084,000</u>	<u>\$ 61,989,000</u>

Source: Financial Statements

Note: The negative unrestricted net position is the result of the implementation of GASB 68.

City of Albany
Changes in Net Position
Last Ten Fiscal Years

Table 2

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental activities:										
General government	\$ 3,282,000	\$ 2,814,000	\$ 3,169,000	\$ 4,701,000	\$ 14,533,000	\$ 14,896,000	\$ 7,693,000	\$ 8,602,000	\$ 10,414,000	\$ 10,292,000
Police	5,679,000	5,849,000	6,607,000	6,968,000	6,437,000	6,857,000	7,789,000	6,792,000	9,480,000	7,049,000
Fire and emergency medical services	4,797,000	4,679,000	5,511,000	5,474,000	4,786,000	5,301,000	6,712,000	5,551,000	8,228,000	5,688,000
Community development and environmental resources	4,400,000	6,114,000	5,238,000	7,045,000	5,861,000	5,844,000	4,489,000	4,881,000	5,274,000	5,284,000
Recreation	3,579,000	3,876,000	3,716,000	3,142,000	3,819,000	3,590,000	3,963,000	3,606,000	2,476,000	3,628,000
Interest on long-term debt	900,000	833,000	827,000	800,000	619,000	558,000	538,000	585,000	536,000	516,000
Total Governmental activities expenses	22,637,000	24,165,000	25,068,000	28,130,000	36,055,000	37,046,000	31,184,000	30,017,000	36,408,000	32,457,000
Program Revenues:										
Charges for services:										
General government	\$ 34,000	\$ 8,000	\$ 102,000	\$ 75,000	\$ 175,000	\$ 82,000	\$ 161,000	\$ 116,000	\$ 139,000	\$ 49,000
Police	231,000	214,000	423,000	340,000	282,000	192,000	206,000	263,000	205,000	345,000
Fire and emergency medical services	838,000	1,118,000	1,067,000	937,000	895,000	744,000	1,173,000	1,095,000	953,000	1,015,000
Community development and environmental resources	414,000	617,000	575,000	1,300,000	792,000	762,000	877,000	733,000	1,056,000	1,006,000
Recreation	1,100,000	976,000	1,214,000	1,304,000	1,211,000	1,618,000	1,105,000	693,000	485,000	902,000
Operating grants and contribution	1,429,000	717,000	1,121,000	894,000	1,145,000	744,000	660,000	547,000	1,349,000	3,215,000
Capital grants and contributions	2,093,000	1,570,000	1,121,000	987,000	1,529,000	1,647,000	4,447,000	2,200,000	3,012,000	2,063,000
Total Governmental program revenues	6,139,000	5,220,000	5,623,000	5,837,000	6,029,000	5,789,000	8,629,000	5,647,000	7,199,000	8,595,000
Net revenues (expense)	(16,498,000)	(18,945,000)	(19,445,000)	(22,293,000)	(30,026,000)	(31,257,000)	(22,555,000)	(24,370,000)	(29,209,000)	(23,862,000)
General revenues:										
Taxes:										
Property taxes	11,811,000	12,511,000	10,459,000	9,229,000	10,837,000	12,416,000	13,850,000	15,915,000	17,100,000	17,615,000
Sales taxes	2,267,000	3,406,000	3,509,000	3,808,000	4,134,000	3,512,000	4,501,000	4,213,000	4,404,000	4,895,000
Franchise and other taxes	4,359,000	4,619,000	4,610,000	7,302,000	7,244,000	5,962,000	4,874,000	4,951,000	6,003,000	6,825,000
Earnings on investments	59,000	59,000	17,000	126,000	90,000	277,000	581,000	418,000	122,000	54,000
Unrestricted revenues from other agencies	153,000	634,000	314,000	276,000	44,000	39,000	-	-	-	-
Other revenue	927,000	585,000	166,000	269,000	666,000	3,334,000	151,000	121,000	170,000	47,000
Transfers from agency funds	836,000	-	-	-	-	-	-	-	-	-
Extraordinary items	-	-	-	(1,536,000)	-	-	6,840,895	272,000	-	-
Total general revenues	20,412,000	21,814,000	19,075,000	19,474,000	23,015,000	25,540,000	30,797,895	25,890,000	27,799,000	29,436,000
Change in net position	\$ 3,914,000	\$ 2,869,000	\$ (370,000)	\$ (2,819,000)	\$ (7,011,000)	\$ (5,717,000)	\$ 8,242,895	\$ 1,520,000	\$ (1,410,000)	\$ 5,574,000

Source: Financial statements

City of Albany

Table 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund:										
Nonspendable	\$ -	\$ 1,564,000	\$ 1,583,000	\$ 55,000	\$ 66,000	\$ 61,000	\$ 13,000	\$ 63,000	\$ 56,000	\$ 1,195,000
Restricted	204,000	210,000	-	-	-	-	-	-	-	-
Assigned	1,814,000	245,000	245,000	302,000	-	-	1,573,000	1,564,000	1,569,000	1,569,000
Unassigned	4,031,000	4,219,000	5,706,000	7,962,000	8,008,000	8,785,000	1,670,000	7,181,000	8,420,000	8,824,000
Total general fund	<u>\$ 6,049,000</u>	<u>\$ 6,238,000</u>	<u>\$ 7,534,000</u>	<u>\$ 8,319,000</u>	<u>\$ 8,074,000</u>	<u>\$ 8,846,000</u>	<u>\$ 3,256,000</u>	<u>\$ 8,808,000</u>	<u>\$ 10,045,000</u>	<u>\$ 11,588,000</u>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	15,174,000	16,959,000	16,553,000	16,273,000	15,685,000	15,049,000	16,380,000	17,494,000	18,682,000	21,332,000
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	4,513,000	3,891,000	3,255,000	2,856,000	2,483,000	1,989,000	2,428,000	2,469,000	2,387,000	1,975,000
Unassigned	(83,000)	(245,000)	(166,000)	(101,000)	(708,000)	(2,479,000)	(502,000)	(860,000)	(750,000)	68,000
Total all other governmental funds	<u>\$ 19,604,000</u>	<u>\$ 20,605,000</u>	<u>\$ 19,642,000</u>	<u>\$ 19,028,000</u>	<u>\$ 17,460,000</u>	<u>\$ 14,559,000</u>	<u>\$ 18,306,000</u>	<u>\$ 19,103,000</u>	<u>\$ 20,319,000</u>	<u>\$ 23,375,000</u>

Source: City Financial Statements

Note: The City has implemented GASB 54 effective fiscal year ending June 30, 2011.

This Statement establishes new categories for reporting fund balance and revises the definitions for governmental fund types.

The City opted not to change the previous years' data.

City of Albany

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

Table 4

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021
Revenues:										
Taxes:										
Property taxes	\$ 11,530,000	\$ 12,511,000	\$ 10,459,000	\$ 10,916,000	\$ 12,486,000	\$ 13,142,000	\$ 13,850,000	\$ 15,915,000	\$ 17,100,000	\$ 17,615,000
Sales taxes	2,267,000	3,406,000	3,509,000	3,808,000	4,134,000	3,512,000	4,501,000	4,213,000	4,404,000	4,895,000
Franchise and other taxes	4,359,000	4,006,000	4,038,000	4,575,000	4,577,000	4,021,000	4,874,000	4,951,000	6,003,000	6,825,000
Licenses and permits	174,000	812,000	883,000	991,000	1,130,000	1,204,000	519,000	446,000	617,000	669,000
Fines and forfeits	196,000	209,000	414,000	336,000	278,000	189,000	204,000	161,000	97,000	233,000
Investment earnings	59,000	59,000	17,000	126,000	86,000	277,000	539,000	418,000	187,000	54,000
Revenues from other agencies	2,733,000	3,386,000	2,298,000	1,895,000	2,768,000	2,305,000	4,107,000	2,693,000	4,350,000	5,278,000
Charges for services	2,307,000	2,718,000	2,608,000	3,258,000	2,603,000	2,933,000	2,606,000	2,148,000	1,887,000	2,114,000
Other revenue	848,000	1,169,000	471,000	941,000	979,000	3,738,000	1,343,000	317,000	353,000	348,000
Total revenues	24,473,000	28,276,000	24,697,000	26,846,000	29,041,000	31,321,000	32,543,000	31,262,000	34,998,000	38,031,000
Expenditures:										
Current:										
General government	2,967,000	2,756,000	3,245,000	4,587,000	7,254,000	4,464,000	6,214,000	7,007,000	8,510,000	9,034,000
Police	5,476,000	5,643,000	5,982,000	5,931,000	6,330,000	6,755,000	6,300,000	6,030,000	6,886,000	7,475,000
Fire and emergency medical services	4,383,000	4,419,000	4,817,000	4,466,000	4,714,000	5,228,000	5,331,000	5,022,000	5,808,000	6,004,000
Community development and environmental resources	3,289,000	3,779,000	3,656,000	3,740,000	4,125,000	4,176,000	3,985,000	4,183,000	4,635,000	5,369,000
Recreation	2,893,000	3,689,000	3,533,000	2,931,000	3,608,000	3,375,000	3,172,000	2,748,000	1,775,000	3,198,000
Capital outlay	3,682,000	4,016,000	1,282,000	1,836,000	3,336,000	10,940,000	2,423,000	1,995,000	3,457,000	1,715,000
Principal on long-term debt	1,002,000	765,000	795,000	835,000	869,000	1,142,000	995,000	994,000	1,044,000	935,000
Interest on long-term debt	916,000	875,000	843,000	814,000	619,000	555,000	681,000	635,000	587,000	543,000
Cost of issuance	-	-	-	-	288,000	-	-	-	-	-
Total expenditures	24,608,000	25,942,000	24,153,000	25,140,000	31,143,000	36,635,000	29,101,000	28,614,000	32,702,000	34,273,000
Revenue Over (Under) expenditures	(135,000)	2,334,000	544,000	1,706,000	(2,102,000)	(5,314,000)	3,442,000	2,648,000	2,296,000	3,758,000
Other Financing Sources (Uses):										
Debt Proceeds	-	-	-	-	14,750,000	-	-	-	-	838,000
Proceeds from debt issuance premium	-	-	-	-	1,125,000	-	-	-	-	-
Payment to escrow	-	-	-	-	(15,587,000)	-	-	-	-	-
Transfer in	3,043,000	2,552,000	2,347,000	2,086,000	3,269,000	1,736,000	2,494,000	8,352,000	4,282,000	4,779,000
Transfer out	(2,207,000)	(3,702,000)	(2,347,000)	(2,086,000)	(3,269,000)	(1,736,000)	(2,494,000)	(4,571,000)	(4,282,000)	(4,779,000)
Total other financing sources (uses)	836,000	(1,150,000)	-	-	288,000	-	-	3,781,000	-	838,000
Extraordinary Items:										
Adjustments	-	-	-	-	-	-	(2,100,000)	(80,000)	-	-
Loan settlement	-	-	-	(1,536,000)	-	-	-	-	-	-
Total extraordinary items	-	-	-	(1,536,000)	-	-	(2,100,000)	(80,000)	-	-
Net Change in fund balance	\$ 701,000	\$ 1,184,000	\$ 544,000	\$ 170,000	\$ (1,814,000)	\$ (5,314,000)	\$ 1,342,000	\$ 6,349,000	\$ 2,296,000	\$ 4,596,000
Debt service as a percentage of non-capital expenditures	9.2%	7.5%	7.2%	7.1%	5.4%	6.6%	6.3%	6.1%	5.6%	4.5%

Source: City Financial Statements

Note: This schedule contains trend information to help the reader understand how the City's financial performance and well being have changed over time.

City of Albany
Net Assessed Value of Property
Last Ten Fiscal Years

Table 5

Fiscal Year	Real Property ⁽¹⁾	Personal Property ⁽¹⁾	Total ⁽¹⁾	Increase (Decrease) in Market Value	Direct Tax Rate
	Net Assessed Market Value	Net Assessed Market Value	Net Assessed Market Value		
2012-13	1,961,404	24,860	1,986,264	1.9%	0.1620%
2013-14	2,060,381	26,914	2,087,295	5.1%	0.1577%
2014-15	2,142,889	25,834	2,168,723	3.9%	0.0563%
2015-16	2,327,484	23,237	2,350,721	8.4%	0.0526%
2016-17	2,469,850	22,007	2,491,857	6.0%	0.0930%
2017-18	2,623,291	56,966	2,680,257	7.6%	0.0816%
2018-19	2,806,297	24,549	2,830,846	5.6%	0.0796%
2019-20	2,852,160	91,914	2,944,074	4.0%	0.1150%
2020-21	2,994,333	89,435	3,083,768	4.7%	0.1320%
2021-22	3,103,002	85,103	3,188,105	3.4%	0.1303%

Source⁽¹⁾ County of Alameda Office of the Assessor
 Note: Assessed values are presented in thousands

City of Albany
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 6

<u>Fiscal Year</u>	<u>Allocation ⁽¹⁾</u>	<u>Current Collections</u>	<u>Percent of Current Taxes Collected</u>
2012-13	3,712,964	3,728,352	100.4%
2013-14	3,934,253	3,982,513	101.2%
2014-15	4,175,074	4,048,711	97.0%
2015-16	4,478,779	4,247,060	94.8%
2016-17	4,706,559	4,645,298	98.7%
2017-18	5,087,302	5,031,515	98.9%
2018-19	5,372,611	5,317,906	99.0%
2019-20	5,716,700	5,645,508	98.8%
2020-21	6,239,440	6,177,663	99.0%
2021-22	6,687,889	6,608,586	98.8%

Notes:

- (1) Source is State Controller's Report for City of Albany.
- (2) Includes general fund only.

City of Albany

Table 7

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Basic Levy	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Override Assessments										
County GO Bond	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0112	0.0108	0.0036	0.0041
Albany Unified School District	0.1598	0.1591	0.1586	0.1440	0.2000	0.2500	0.2500	0.2250	0.2005	0.1950
Peralta Community College	0.0434	0.0419	0.0412	0.0337	0.0256	0.0310	0.0269	0.0257	0.0452	0.0407
Bay Area Rapid Transit	0.0043	0.0075	0.0045	0.0026	0.0080	0.0084	0.0070	0.0120	0.0139	0.0060
East Bay Regional Park 1	0.0051	0.0078	0.0085	0.0067	0.0032	0.0021	0.0057	0.0060	0.0014	0.0020
East Bay Mud Special District 1	0.0068	0.0066	0.0047	0.0034	0.0028	0.0011	0.0000	0.0000	0.0000	0.0000
City of Albany	0.1620	0.1577	0.0563	0.0526	0.0930	0.0816	0.0796	0.1150	0.1320	0.1303
Total Overlapping Tax Rates	1.3814	1.3806	1.2738	1.2430	1.3326	1.3742	1.3804	1.3945	1.3966	1.3781
Total Direct Rate	0.1620	0.1577	0.0563	0.0526	0.0930	0.0816	0.0796	0.1150	0.1320	0.1303

Source: County Auditor/Controller data, MuniServices, LLC / Avenu Insights & Analytics

Source: 2015-16 and prior, previously published

TRA 22-000 is represented for this report.

City of Albany

Table 8

Principal Property Taxpayers Current Year and Nine Years Ago

Taxpayer	2022		2013	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Golden Gate Land Holdings LLC	\$ 56,218,812	1.76%	\$ 48,450,519	2.46%
Target Corporation	35,210,161	1.10%	30,344,789	1.54%
VR University Village B LLC	28,296,957	0.89%		
1100 San Pablo Avenue LLC	27,543,482	0.86%		
Safeway INC &	11,319,291	0.36%	4,892,003	0.25%
Esmht LLC	9,765,653	0.31%	9,200,048	0.47%
Eichner Erik & Rose L TRS	8,696,133	0.27%	8,128,712	0.41%
Albany View Properties LLC	7,393,146	0.23%		
Fire In The Hole LLC	6,393,135	0.20%	5,007,536	0.25%
Virk Dhian & Gurchan TRS	5,949,633	0.19%		
Haste Partners Llc & Beckerman	5,741,763	0.18%		
Mehar Enterprises LP	5,549,151	0.17%		
Benattar Moshe	5,464,932	0.17%		
401 Park Plaza LLC	5,439,179	0.17%	4,693,264	0.24%
Farrokhtala Katy & Saye TRS ET	5,046,328	0.16%	4,273,326	0.22%
Amitis LLC	4,971,114	0.16%		
Oak Hill Grove LLC	4,939,463	0.15%		
Alcatraz Premium Investments LLC	4,802,047	0.15%		
Wendell C Smith Family Holdings LLC	4,704,960	0.15%		
Allen Dallas V Jr Tr & Satake Alvin T & Maxin Et Al.	4,235,359	0.13%	3,650,039	0.19%
Sutter East Bay Medical Foundation	4,199,612	0.13%	3,557,110	0.18%
Nasser Adham Tr & Nasser William Et Al.	4,192,540	0.13%		
Portland Gardens LLLC	4,171,548	0.13%	3,160,464	0.16%
Albany Bowl Properties	4,125,140	0.13%	5,642,435	0.29%
Solano Court Group LLC	4,058,399	0.13%	3,335,065	0.17%
St Mary's College High School			35,117,891	1.78%
Southwick 1025 Eastshore Highway			5,120,000	0.26%
1001 Eastshore Partners			4,715,017	0.24%
Meier Charles L Friedman Sharo			4,243,582	0.22%
Pacific Racing Association			3,441,190	0.17%
Biggs Edward F Sr			3,403,754	0.17%
Pakzad Faramarz Jaleh P			3,204,085	0.16%
Tannahill Larry L Judith L			3,072,587	0.16%
Oak Tyler Investment Inc.			2,885,296	0.15%
Bodhaine Randall C Catherine I			2,745,819	0.14%
IJK Properties LLLC			2,666,637	0.14%
Savvy Properties LP			2,630,287	0.13%
Total Top 25 Taxpayers	268,427,938	8.42%	207,581,455	10.54%
Total Taxable Value	\$ 3,188,105,250	100.00%	\$ 1,969,548,758	100.00%

Source: MuniServices, LLC / Avenu Insights & Analytics

**Ratio of General Obligation Bonded Debt to Assessed Value and
General Obligation on Bonded Debt Per Capita
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Estimated Population ⁽¹⁾</u>	<u>Net Assessed Valuation ⁽²⁾</u>	<u>General Obligation Bonds</u>	<u>Percentage of Net Bonded Debt to Assessed Value</u>	<u>Bonded Debt Per Capita</u>
2012-13	18,446	\$ 1,986,264	\$ 16,565	0.83%	\$ 898
2013-14	18,472	\$ 2,087,295	\$ 16,110	0.77%	\$ 872
2014-15	18,893	\$ 2,168,723	\$ 15,630	0.72%	\$ 827
2015-16	18,565	\$ 2,350,721	\$ 14,750	0.63%	\$ 795
2016-17	18,587	\$ 2,491,857	\$ 15,120	0.61%	\$ 813
2017-18	18,867	\$ 2,680,257	\$ 14,492	0.54%	\$ 768
2018-19	18,961	\$ 2,830,846	\$ 13,480	0.48%	\$ 711
2019-20	18,937	\$ 2,944,074	\$ 12,940	0.44%	\$ 683
2020-21	17,055	\$ 3,083,768	\$ 12,370	0.40%	\$ 725
2021-22	21,648	\$ 3,188,105	\$ 11,770	0.37%	\$ 544

Notes:

- (1) Population from State Department of Finance
- (2) Assessed Valuation from Table 5

City of Albany

**Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
to Total General Governmental Expenditures
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service ⁽²⁾</u>	<u>Total General Governmental Expenditures ⁽²⁾</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
2012-13	225,000	99,095	324,095	19,912,217	0.02
2013-14	235,000	89,615	324,615	17,146,499	0.02
2014-15	255,000	77,141	332,141	18,233,584	0.02
2015-16	270,000	62,140	332,140	20,473,640	0.02
2016-17	290,000	224,610	514,610	18,983,316	0.03
2017-18	755,000	497,740	1,252,740	21,571,704	0.06
2018-19	515,000	465,990	980,990	25,001,378	0.04
2019-20	540,000	439,610	979,610	24,990,729	0.04
2020-21	570,000	412,613	982,613	29,245,732	0.03
2021-22	600,000	383,363	983,363	31,079,701	0.03

Notes:

- (1) Source is City of Albany debt service on general obligation bonds
- (2) Includes general, special revenue, debt service and capital projects funds

City of Albany
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 11

Fiscal Year	General Obligation Bonds	Certificates of Participation	Tax Allocation Bonds	Capital Leases	Loan & Notes Payable	Total Primary Government	Percentage of Personal Income	Per Capita
2012-13	17,005,000	720,000	-	274,680	1,761,450	19,761,130	0.58%	1,071
2013-14	16,565,000	490,000	-	168,365	1,684,735	18,908,100	0.67%	1,024
2014-15	16,110,000	250,000	-	57,342	1,606,995	18,024,337	2.50%	954
2015-16	15,630,000	-	-	649,453	1,529,255	17,808,708	2.41%	959
2016-17	15,120,000	-	-	575,938	1,451,515	17,147,453	2.38%	923
2017-18	14,492,000	-	-	6,164,660	1,403,260	22,059,920	2.84%	1,169
2018-19	13,480,000	-	-	6,004,300	1,044,670	20,528,970	2.65%	1,083
2019-20	12,940,000	-	-	5,894,897	670,160	19,505,057	2.51%	1,030
2020-21	12,370,000	-	-	5,771,015	278,996	18,420,011	2.37%	1,080
2021-22	11,770,000	-	-	5,642,214	66,104	17,478,318	1.35%	807

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) Refer to the Demographics Statistics for personal income and population data.
- (3) Tax Allocation Bonds were eliminated from the table due to the dissolution of the Redevelopment Agency.

City of Albany
Computation of Legal Debt Margin
Last Ten Fiscal Years

Table 12

Fiscal Year	Assessed Value	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Ratio of Outstanding Net Debt Limit
2012-13	1,986,264,000	297,939,600	16,565,000	74,484,900	22.24%
2013-14	2,087,295,000	313,094,250	16,110,000	78,273,563	20.58%
2014-15	2,168,723,000	325,308,450	15,630,000	81,327,113	19.22%
2015-16	2,350,721,000	352,608,150	14,750,000	88,152,038	16.73%
2016-17	2,491,857,000	373,778,550	15,120,000	93,444,638	16.18%
2017-18	2,680,257,000	402,038,550	14,492,000	100,509,638	14.42%
2018-19	2,830,846,000	424,626,900	13,480,000	106,156,725	12.70%
2019-20	2,944,074,000	441,611,100	12,940,000	110,402,775	11.72%
2020-21	3,083,768,000	462,565,200	12,370,000	115,641,300	10.70%
2021-22	3,188,105,000	478,215,750	11,770,000	119,553,938	9.84%

Notes:

- (1) California Government Code, Section 43605 sets the limit at 15%. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. Thus, the limit shown is 3.75% (one-fourth the limit of 15%).

City of Albany
Schedule of Direct and Overlapping Debt
June 30, 2022

2021-22 Assessed Valuation \$ 3,211,160,812

	Total Debt 6/30/22	% Applicable ⁽¹⁾	City's Share of Debt 6/30/22
Direct and Overlapping Tax and Assessment Debt			
Bay Area Rapid Transit District	\$ 2,521,570,000	0.361%	\$ 9,102,868
Alameda County	183,745,000	0.926%	1,701,479
Peralta Community College District	399,220,000	2.516%	10,044,375
Albany Unified School District	98,320,000	100.000%	98,320,000
East Bay Regional Park District	184,590,000	0.576%	1,063,238
City of Albany General Obligation Bonds	11,770,000	100.000%	11,770,000
Total Direct and Overlapping Tax and Assessment Debt			\$ 132,001,960
Direct and Overlapping General Fund Obligation Debt:			
Alameda County General Fund Obligations	748,175,000	0.926%	\$ 6,928,101 (2)
Peralta Community College District Pension Obligations	128,004,633	2.516%	3,220,597
Alameda-Contra Costa Transit District Certificates of Participation	11,655,000	1.097%	127,855
City of Albany General Fund Obligations	5,708,316	100.000%	5,708,316 (3)
Total Direct and Overlapping General Fund Obligation Debt			\$ 15,984,868
Total Direct Debt			17,478,316
Total Overlapping Debt			130,508,512
COMBINED TOTAL DEBT			\$ 147,986,828 (4)

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Includes share of City of Oakland-Alameda County Coliseum obligations.
- (3) Includes California Energy Commission Note (\$66,104).
- (4) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2021-22 Assessed Valuation:

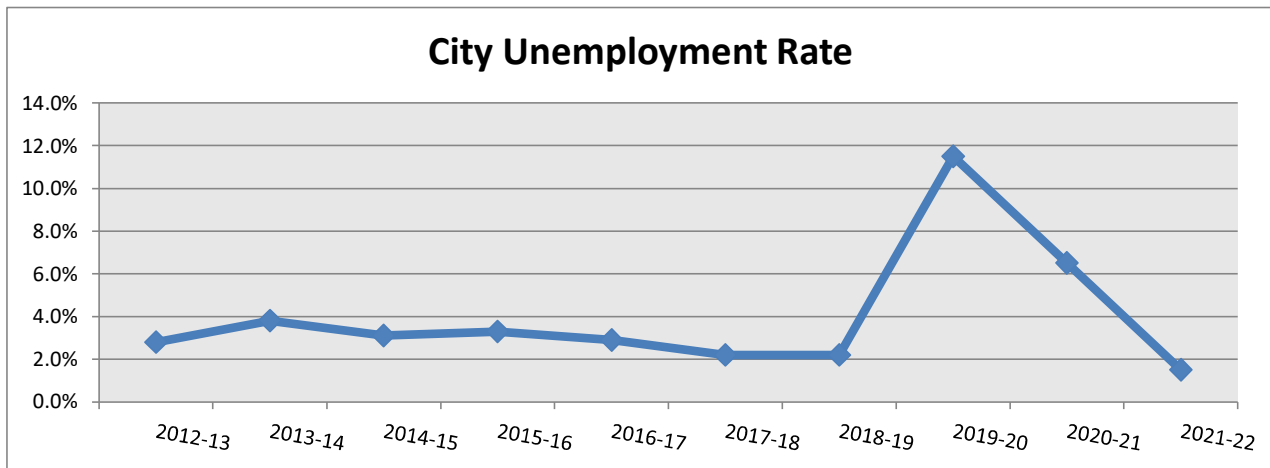
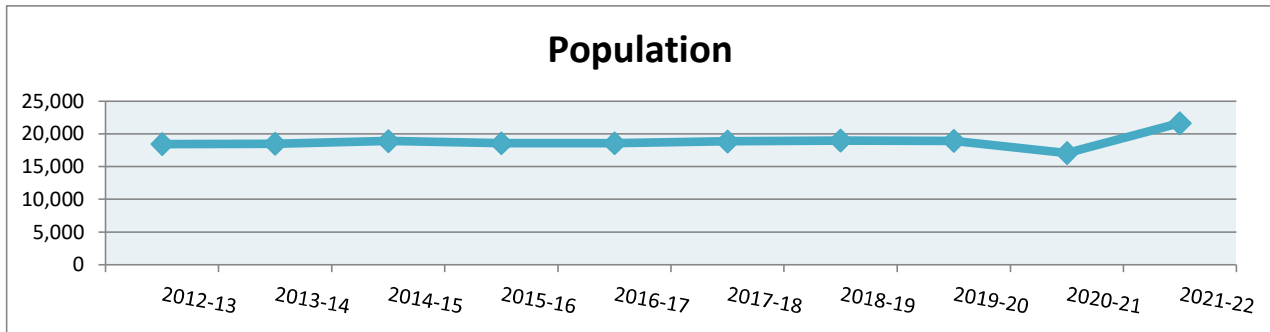
Direct Debt (\$11,770,000)	0.37%
Total Direct and Overlapping Tax and Assessment Debt	4.11%
Total Direct Debt (\$17,478,316)	0.54%
Combined Total Debt	4.61%

Source: Avenu Insights & Analytics, California Municipal Statistics, Inc.

City of Albany
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 14

Fiscal Year	Population ⁽¹⁾	Personal Income (amounts expressed in thousands) ⁽²⁾	Per Capita Personal Income ⁽²⁾	Median Age	Public School Enrollment ⁽³⁾	County Unemployment Rate (%) ⁽⁴⁾	City Unemployment Rate (%) ⁽⁴⁾
2012-13	18,446	87,373	55,338	35.9	3804	9.0%	2.8%
2013-14	18,472	90,631	56,261	36.1	3839	5.7%	3.8%
2014-15	18,893	101,370	61,879	35.5	3881	4.5%	3.1%
2015-16	18,565	-	-	35.3	3822	4.7%	3.3%
2016-17	18,587	-	-	35.5	3702	4.2%	2.9%
2017-18	18,867	-	-	35.4	3658	2.9%	2.2%
2018-19	18,961	-	-	35.7	3682	2.5%	2.2%
2019-20	18,937	916,616	48,403	35.7	3586	13.5%	11.5%
2020-21	17,055	891,056	52,246	36.5	3501	8.4%	6.5%
2021-22	21,648	1,299,115	60,011	36.2	3514	2.5%	1.5%



Source: MuniServices, LLC / Avenu Insights & Analytics, U.S. Census Bureau.

(1) Population Projections are provided by the California Department of Finance Projections.

(2) Income Data is provided by the United States Census Data and is adjusted for inflation.

(3) Student Enrollment reflects the total number of students enrolled in the Albany Unified School District.

(4) Unemployment and Total Employment Data are provided by the EDD's Bureau of Labor Statistics Department.

City of Albany

Principal Employers

Last Fiscal Year and Nine Years Ago

Table 15

Business Name	2021-22		2012-13	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Albany Unified School District*	397	4.09%	383	4.12%
US Agricultural Dept	300	3.09%	266	2.86%
Sutter East Bay Med Foundation	299	3.08%		
Target**	217	2.24%	358	3.85%
Golden Gate Fields	214	2.21%	199	2.14%
City of Albany**	109	1.12%	84	0.90%
Sprouts Farmers Market	84	0.87%		
St. Mary's College High School	77	0.79%	70	0.75%
Tilden Preparatory School	70	0.72%		
Safeway Store	70	0.72%	45	0.48%
Albany Ford Subaru		0.00%	56	0.60%
California Orientation Center for the Blind			45	0.48%
Albany Bowl			43	0.46%
California Orientation Center for the Blind				
Total Top Employers	1,837	18.94%	1,549	16.64%
Total Labor Force ⁽¹⁾	9,700		9,300	

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2012-13 previously published ACFR

Results based on direct correspondence with city's local businesses.

*Includes all classified, certificated, admin, full-time.

** Includes FTE only

(1) Total City Labor Force provided by EDD Labor Force Data

City of Albany
Full-Time Equivalent Employees by Function
Last Ten Fiscal Years

Table 16

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	10	11	11	11	12	14	16	15	15	18
Public Safety	48	49	55	56	55	55	51	50	50	51
Public Works	11	11	13	13	13	13	13	14	14	14
Community Development	6	6	7	7	8	9	9	9	9	7
Recreation	9	9	10	10	7	6	11	13	13	12
Total	84	86	96	97	95	97	99	100	101	102

Source: City of Albany records.

City of Albany
Operating Indicators by Function
Last Ten Fiscal Years

Table 17

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety - Police										
Arrests	451	646	665	682	457	333	277	135	202	183
Parking citations issued	7,148	2,741	11,583	8,717	6,028	5,556	5,742	1,518	7,662	7,546
Public Safety - Fire										
Number of emergency calls	1,849	1,823	1,785	1,881	1,917	1,967	1,984	1,872	1,910	2,114
Inspections	893	1,014	1,014	1,107	1,290	1,314	1,326	1,319	1,590	1,618
Culture and Recreation										
Number of recreation classes	1,199	1,766	1,903	2,139	434	413	413	750	52	181
Number of facility rentals	2,230	2,069	2,482	2,526	271	338	427	294	3,722	4,915

Source: Various City records.

City of Albany
Construction Value
Last Ten Fiscal Years

Table 18

Fiscal Year	New Commercial Construction ⁽¹⁾		New Residential Construction ⁽¹⁾⁽²⁾	
	Number of Permits	Value of Improvements	Number of Units	Value of Improvements
2012-13	0	-	21	3,869,341
2013-14	1	16,500,000	28	5,010,489
2014-15	1	20,488	1	346,753
2015-16	2	174,475	37	12,034,351
2016-17	0	-	32	10,692,841
2017-18	1	750,000	4	1,507,514
2018-19	0	-	23	2,006,573
2019-20	0	-	13	1,590,836
2020-21	0	-	19	9,647,550
2021-22	0	-	87	9,566,100

Notes:

- (1) Source is City of Albany Community Development Department
- (2) Includes single and multi-family units

City of Albany
Miscellaneous Statistics
June 30, 2022

Table 19

City Type	General Law
Date of Incorporation	1908
Form of Government	Council/Manager
Population	21,648
Land Area	1.7 Square Miles
Police Protection	1 Station 21 Officers 22 Leased Patrol Vehicles
Fire Protection	1 Station 19 Full-time Firefighters 8 Fire Apparatus
Assessed Valuation	3,188,105
Parks and Recreation	1 Community Center 1 Senior Center 7 Parks



OTHER INDEPENDENT AUDITOR'S REPORTS



Chavan and Associates, llp

Certified Public Accountants

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 Council of the City of Albany
Albany, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Albany (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 23, 2023.

Internal Control over Financial Reporting

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

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *schedule of findings and questioned costs*, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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

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 responses as finding 2022-001 to be significant deficiencies.



Chavan and Associates, LLP

Certified Public Accountants

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Responses to Findings

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

Purpose of this Report

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

C & A LLP

February 23, 2023
Morgan Hill, California



SCHEDULE OF FINDINGS AND RESPONSES

City of Albany
Schedule of Findings and Responses
June 30, 2022

Finding 2022-001: Financial Reporting and Closing – Significant Deficiency

Criteria: Management is responsible for the fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP). In addition, having an effective internal control system over financial reporting provides reasonable assurance for the safeguarding of assets, the reliability of financial information, and compliance with laws and regulations.

Condition: During our audit, we noted the following related to closing:

1. Long-term liabilities reported in the City's Long-Term Debt Account Group (fund 9101) were not reconciled and updated to match support. Adjustments to the general ledger should be made to agree balances to respective debt schedules.
2. The new purchase financing lease for a fire truck was not properly recorded in the general ledger. The General Fund should report the proceeds from the financing lease and the related prepaid for the capital expenditure. In the City's Long-Term Debt Account Group (fund 9101), the long-term liability should be updated to reflect the new financing lease.
3. A portion of the Service Center Lease is allocated to the City's General fund and governmental activities from the Sewer Service fund. However, this allocation was not calculated and updated in the general ledger prior to the audit. The lease debt service payments should be reconciled and updated to correctly reflect the debt service expenditures during the year.
4. Capital assets in the City's general ledger did not tie to support. The City did not review its capital assets prior to the audit to properly close its books. Capital outlay expenses were not reclassified as needed for capitalizable assets and depreciation expense was not adjusted to agree to supporting schedules.
5. Multiple funds in the general ledger had negative cash balances which should be reclassified to interfund payables, increasing cash in each fund with a negative balance and decreasing cash in the corresponding fund(s) which covered the deficits in these funds. Also, interfund balances were not thoroughly reviewed to clear all short-term interfund borrowings as needed. Interfund payables should balance with the corresponding interfund receivables.
6. The City's account receivables were not adjusted as need to report the correct balance. Additionally, deferred revenue should be reported as a liability and not a credit to account receivables.

Context: Not following written, routine and standardized closing processes increases the risk of material misstatement in the financial statements. In addition, turnover can create a situation where there are not enough qualified personnel to perform the routine controls required to properly maintain the City's financial records.

Effect: General ledger balances for the areas identified above did not tie to support and required adjustment during the audit.

Cause: General ledger account balances were not reviewed to ensure they agreed to subsidiary schedules and support. The City did not follow written, routine and standardized closing processes and did not have enough qualified personnel to perform routine controls.

Recommendation: We recommend that the City continue to update its risk assessment process and business continuity planning to identify potential unusual circumstances that would result in significant delays in financial closing and reporting, and develop and follow policies and procedures to prevent or mitigate the effects of these circumstances when they occur. The City should provide cross training of

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finance staff to ensure continuity during the financial reporting process and audit in case the City experiences turnover in key finance positions. The City should also continue to work on developing and implementing formal written policies over significant accounts that include the timely reconciling of accounts to activity reported in the general ledger. Key personnel should be trained to recognize errors in the accounting records in order to prevent, or detect and correct them in a timely manner, such as when a fund is out of balance.

City's Response: The City agrees with the auditor's recommendations. In response, the City has been working to implement these recommendations. The City has also continued to seek out the assistance of representatives from the Munis accounting software to analyze and assist in correcting and clearing any on-going issues, such as funds not balancing.