PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE **REVENUE ANTICIPATION NOTES**

In the opinion of Roemer Wallens Gold & Mineaux LLP, Bond Counsel, under existing laws, regulations, rulings and court decisions, and assuming continuing compliance by the City with certain covenants and the accuracy of certain representations, (i) interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York. The Notes may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax, on a portion of that interest. See "TAX MATTERS" herein for a discussion of certain Federal taxes applicable to corporate owners of the Notes.

The City will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$10,000,000
CITY of ALBANY
ALBANY COUNTY, NEW YORK
$10,000,000 Revenue Anticipation Notes, 2026
CUSIP BASE #012429

Dated: November 24, 2026 **Due: February 24, 2027**

(the "Notes")

THE CITY HAS EXPERIENCED SEVERE FINANCIAL DIFFICULTIES IN RECENT MONTHS WHICH COULD AFFECT THE MARKETABILITY AND THE MARKET VALUE OF THE NOTES. (SEE "MARKET RISK FACTORS", AND "FINANCIAL HISTORY OF THE CITY," HEREIN).

The Notes are general obligations of the City of Albany, Albany County, New York (the "City"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes interest thereon, subject to applicable statutory limitations. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

At the option of the Purchaser(s), the Notes will be issued as registered notes registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of $5,000 or multiples thereof, as may be determined by such successful bidder(s). Paying agent fees, if any, will be paid by the successful bidder(s).

Alternatively, if the Notes are issued in book-entry-only form, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the Purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of $5,000 or integral multiples thereof, except for a necessary odd denomination, as may be determined by such successful bidder(s). If the Notes are issued in book-entry-only form, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the City, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective approving legal opinion as to the validity of the Notes of Roemer Wallens Gold & Mineaux LLP, Bond Counsel, of Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC, Jersey City, New Jersey on or about November 24, 2026.

November 5, 2026

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on November 12, 2026 until 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the City, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

THE CITY DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12, (THE "RULE") EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE CITY WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF MATERIAL EVENTS WITH REGARD TO THE NOTES AS DEFINED IN THE RULE. SEE "APPENDIX D - MATERIAL EVENT NOTICES" HEREIN.

CITY OF ALBANY

ALBANY COUNTY, NEW YORK

DORCEY APPLYRS
MAYOR

DARIUS SHAHINFAR
TREASURER

SAMUEL FEIN
CHIEF CITY AUDITOR

COMMON COUNCIL

KELLY KIMBROUGH, PRESIDENT

VIRGINIA FARRELL, PRESIDENT PRO TEMPORE

John Williamson
Lormenzo Jones
Sergio Adams
Owusu Anane
Deborah Zamer

Derek Johnson
Mark Robinson
Jack Flyn
Alfredo Balarin
Thomas Hoey

Arthur Lumpkin
Deirde Brodie
Meghan Keegan
Rachel Powell

CITY OFFICIALS

CHRISTOPHER ELLIS
Deputy Mayor

MIRIAM DIXON
Commissioner of Administrative Services

SHANIQUA JACKSON
City Clerk

JOHN REILLY JR., ESQ.
Corporation Counsel

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

ROEMER WALLENS GOLD & MINEAUX LLP

No person has been authorized by the City to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City.

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
http://www.fiscaladvisors.com

OFFICIAL STATEMENT
of the

CITY of ALBANY

ALBANY COUNTY, NEW YORK

Relating to

$10,000,000 Revenue Anticipation Notes, 2026

This Official Statement, which includes the cover page and appendices, has been prepared by the City of Albany, Albany County, State of New York (the "City," "County," and "State," respectively), in connection with the sale by the City of its aggregate principal amount of $10,000,000 Revenue Anticipation Notes, 2026 (the “Notes”).

The factors affecting the City's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the City's tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the City contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

NATURE OF OBLIGATION

Each Note when duly issued and paid for will constitute a contract between the City and the holder thereof.

Holders of any series of bonds or notes of the City may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the City and will contain a pledge of the faith and credit of the City for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the City has power and statutory authorization to levy ad valorem taxes on all real property within the City subject to such taxation by the City, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the City is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the City’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “TAX LEVY LIMITATION LAW” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

> "A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the city's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean…So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted. While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

THE NOTES

Description of the Notes

The Notes are general obligations of the City, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the City is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limits. See "TAX LEVY LIMITATION LAW" herein.

The Notes are dated November 24, 2026 and will mature, without option of prior redemption, on February 24, 2027. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The Notes will be issued in either (i) registered certificated, and, if so issued, registered in the name of the purchaser(s) in denominations of $5,000 each or multiples thereof, as may be determined by the successful bidder(s) with principal and interest payable in Federal Funds; or (ii) as registered notes, and, if so issued, registered in the name of Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

NO OPTIONAL REDEMPTION

The Notes shall not be subject to redemption prior to maturity.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes if selected by the purchaser(s). As such, the Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for the Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com** and **www.dtc.org**.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE CITY MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

CERTIFICATED NOTES

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law, or the City may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof, except for one necessary odd denomination. Principal of and interest on the Notes will be payable at the office of the City Treasurer, Albany, New York. The Notes will remain not subject to redemption prior to their stated final maturity date.

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PURPOSE OF ISSUE

The Notes are being issued pursuant to the Constitution and Laws of the State, including the Local Finance Law, constituting Chapter 33-A of the Consolidated Laws of New York (the "Law") and revenue anticipation note ordinances duly adopted by the Common Council, authorizing the issuance of revenue anticipation notes in anticipation of the receipt of State Aid Revenues for the City's fiscal year ending December 31, 2026

In the event the aforesaid aid is not received by February 24, 2027, the Notes may be renewed. Revenue anticipation renewal notes may again be renewed in the event such aid has still not been received on the maturity date of such renewal notes. The final renewal of any such revenue anticipation renewal notes must mature not later than December 31, 2028.

The Notes are being issued to provide monies to meet a cash flow deficit expected to occur during the period that the Notes are outstanding (see "APPENDIX – C"). Such cash flow deficit is the result of a delay in the receipt of State aid revenues, which receipt is not timely with the cash flow needs of the City. The City will set aside revenues as received for repayment of the Notes when they mature on February 24, 2027.

SOURCES OF PAYMENT OF THE NOTES

Each Note when duly issued and paid for will constitute a contract between the City and the holders thereof.

The Notes will be general obligations of the City and will contain a pledge of the full faith and credit of the City for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest the City has the power and statutory authorization to levy ad valorem taxes on all taxable real property within the City subject to applicable statutory limitations. Under the Constitution of the State, the City is required to pledge its full faith and credit for the payment of the principal of and interest on the Notes and the State is specifically precluded from restricting the power of the City to levy taxes on real property therefore.

THE CITY

General Information

There follows in this Official Statement a general description of the City, together with certain information concerning its location, economy, governmental organization, indebtedness, current major revenue sources, and general and specific funds.

The City is under significant fiscal stress as expected revenues did not materialize in 2025 and many are not expected to materialize in 2026. The additional temporary NYS assistance has been crucial to support operations in 2026, and will continue to do so for at least 2 more years. The City has also implemented cost savings measures to buttress city finances. The Mayor successfully negotiated this additional assistance and is working on continuing our regular Capital City Funding, making the Empire State Plaza PILOT permanent, and securing additional state aid. The City is exploring all measurers to achieve a balanced budget.

The City of Albany is the capital of the State of New York and the County Seat of Albany County. The City is located on the west bank of the Hudson River, approximately 140 miles north of New York City. The City is a center for higher education and is home to not only the State University at Albany but also SUNY Poly, The Sage College at Albany, Maria College, Albany Law School, Albany College of Pharmacy, and Albany Medical College. Located nearby are Siena College in the Town of Colonie, Union College in Schenectady, and Rensselaer Polytechnic Institute and Russell Sage College in Troy. While the College of Saint Rose has closed, effective June, 2024, SUNY Albany, Maria College and Sage College have quickly moved to re-enroll Saint Rose students into their institutions, and ramping up their programming to serve them, thus minimizing the impact of potential student and service loss from Saint Rose. Since the closing of the College of St. Rose, Albany County has taken ownership of the property via an authority, and is in the early stages of redeveloping, reusing, and repurposing the campus and its buildings for office, residential, and community purposes. Early interest by several parties remains high in particular pieces or elements of the campus.

Taking advantage of Albany's location at the crossroads of transportation, the Port of Albany (operated by the Albany Port District Commission) receives cargo originating in and being shipped to foreign countries and other cities in the United States. As an economic engine that generates over $800 million in economic impact to the State, the Port of Albany has made over $50 million in investments in its maritime operations in recent years, including, $15 million in dock improvements, $4 million for terminal improvements and $18 million in transit and terminal improvements. These improvements provide the Port with the ability to handle larger vessels and cargo, and to continue to maximize year-round access while enhancing its competitive advantage for attracting commerce. These improvements build on the major private and public investments that have occurred at the Port over the past decade, totaling over $100 million. These investments are realizing returns as well. Important examples are two new or renewed major tenant commitments and year over year increases in varied economic indicators.

The City has also been proactive in spurring economic development through strategy-driven neighborhood revitalization coupled with a long-standing real property tax program that is designed to attract new investment and project activity. With assistance from Capitalize Albany Corporation, the City of Albany Industrial Development Agency and the Capital Resource Corporation, along with similar incentives for homeowners, more than $2 billion in new investment citywide has occurred through business, real estate and strategic development. Currently there is approximately $419 million in new investment under construction with approximately $207 million in the pipeline. These investments have yielded more than 4,000 multi-family units citywide over the last decade and have helped repurpose nearly 20% of the underutilized commercial space citywide over the past ten years. Furthermore, Governor Hochul announced, and is moving forward with a $400 million investment in Albany's Downtown, that will include $150 million for updating the State Museum, $35 million to address the future of I-787, and the remainder going to revitalization and public safety projects.

Over the past 10 years, there has been a massive shift to reposition Downtown Albany as a new residential neighborhood, countering decades of suburbanization, while challenging long-held misconceptions about its vibrancy. Over the past two decades, over $1 billion has been invested downtown, including more than $636 million in residential development in the last five years. That investment has delivered 1,036 new market-rate housing units, with an additional $186 million currently in the pipeline, expected to produce 477 more units of both market-rate and affordable housing. Anecdotally, residential leasing downtown has remained strong, with low vacancy rates. Recent market studies indicate that The City of Albany will need over 1,000 units to accommodate new household growth over the next five years.

Major recent investments in Downtown Albany include the Albany Capital Center, a $78 million convention center developed by the Albany Convention Center Authority, located adjacent to the MVP Arena (formerly the Times Union Center) and the Empire State Plaza. In addition to exceeding its initial booking projections prior to COVID-19, the convention center has generated over $62 million in total new visitor spending since opening in 2017. Building on this success, a recent $10 million investment will expand the Albany Capital Center increasing the rentable space to 84,000 square feet. To better compete for national and regional, sporting and entertainment events, Albany County completed a transformational $19.6 million renovation of MVP Arena. As a result of these improvements, MVP Arena was selected to host first- and second-round games of the NCAA Division I Men's Basketball Tournament in 2023, as well as the East Regional semifinals and finals of the NCAA Division I Women's Basketball Tournament in 2024. While event activity declined during COVID-19, concerts, live entertainment and collegiate sports games have resumed with a strong and growing booking schedule ahead for the Arena, as well as the Palace Theater, Empire Live, The Egg and Capitol Reparatory Theater. It is important to note that the City has no obligation to finance the construction or operation of either project.

Other major investments downtown include the $600 million Livingston Avenue Railroad Bridge replacement, which broke ground in 2024; the $13 million Skyway, a half-mile linear park built on a former highway off-ramp that opened in 2022 and now connects Downtown to the Hudson River and the Corning Preserve; the planned demolition and redevelopment of the Central Warehouse adjacent to the Skyway; the $68 million redevelopment of Wellington Row, located adjacent to the Albany Capital Center which included a 200-room Renaissance by Marriott, office space, retail space and market-rate apartments; and the $80 million investment to convert long-vacant historic buildings along North Pearl Street into commercial space and market-rate apartments. In addition, the City of Albany received a $10 million grant from the State of New York's Downtown Revitalization Initiative to assist transformative projects and encourage additional investment in the already growing Clinton Square area of Downtown. These projects include affordable housing, public art, improvements to city streetscape, the Albany Skyway and the Clinton Market Collective, an outdoor market venue. These new investments have aided in dramatically reducing local commercial vacancy rates by attracting new commercial tenants and converting obsolete space into vibrant new uses. Last, efforts have been underway Downtown to redevelop approximately 8 acres of property in the Liberty Park area into a $130+ million mixed use development. The site control efforts are complete, and a master developer has been selected for the Site.

The City is also home to several major hospitals and healthcare facilities including Albany Medical Center, St. Peter's Hospital, Albany Memorial Hospital, and the Veterans Administration (VA) Hospital. These hospitals are also major economic engines in the City, providing significant job opportunities and investment. Albany Medical Center and the VA have been partners in neighborhood revitalization efforts in the Park South Neighborhood. New Scotland Avenue along with the rest of the Park South Neighborhood has seen $680 million of investment, creating over 1,000 jobs, over the past decade including the construction of: a three story mixed–use building; a five-story fully leased commercial office building; a 1,250-space parking garage; and the expansion of Albany Medical Center's patient tower. The area continues to see new investment within the Park South neighborhood as a result of these strategic revitalization efforts with an additional $40 million of new development yielding 233 new residential units further supporting the existing retail space.

The universities and colleges within the City also provide significant job opportunities and investment. Investment continues to flow into the campus of SUNY Poly, as it plans to grow its educational offerings as well as foster public/private partnerships with industry leaders. The Albany NanoTech Complex is the most advanced university research facility of its kind with 1.65 million square feet in the City of Albany, boasting billions of dollars in high-tech investments and hundreds of corporate partners since its inception, with thousands of research and development jobs on site. Corporate partners include IBM, Global Foundries, Samsung, Applied Materials, Micron, Tokyo Electron among others. Governor Hochul recently announced that the site will receive a $10 billion national semi-conductor research center within the campus. In addition, a $750 million investment proposed by the Governor in the New York State Budget for a new world-class public health laboratory and research facility at the nearby Harriman campus is under construction. These investments are attracting companies such as Plug Power, to continue to invest in the area, as evidenced by their recent opening of a 350,000 fuel cell assembly plant in Slingerlands, employing over 700 people.

Albany also has a rich arts and culture scene. It is home to the New York State Museum and the Albany Institute of History and Art. Live performing arts venues include the Palace Theatre, Capital Repertory Theatre, Empire Live and the Egg. Even the City's cultural sector is seeing large swaths of reinvestment. Although live entertainment venues nationwide were among the hardest hit during the COVID-19 pandemic, new spaces have continued to open in the City such as the new $14 million home of the Capital Repertory Theatre which seats 300 in the main theater and 70 in the black box theater as well as Empire Live which has a capacity of 1,000 people. With seating capacity of between 6,000 and 17,500, the MVP Arena hosts concerts and professional and college sports teams as well as other events. Many smaller venues also host events, concerts and other performances in neighborhoods throughout the City, and larger venues in Saratoga, Schenectady and Troy are also vital components of this regional scene.

In addition to the historic investments occurring in Albany, the City continues developing and implementing key programs and initiatives, including the Park South Plan, the Midtown Plan, the Arbor Hill Neighborhood Plan, the West Albany Plan, and the Capital South Plan. In the South End, plans continue to evolve for the demolition of the Lincoln Square towers and re-use of the land that will tie together the community and enhance its vibrancy. This level of community participation and public-private partnerships is resulting in an unprecedented amount of new investment. The Albany Housing Authority, together with not-for-profit and higher education partners, received a $5 million HUD grant in 2011 for the Albany Capital South Campus Center, an education and training center that has been serving residents of the South End, Arbor Hill and beyond since 2014.

The Arbor Hill Neighborhood Plan has resulted in millions of dollars of new investment, including the Swan Street Lofts, which houses artist studios and lofts for resident artists in a converted vacant 40,000 square foot building through a public/private partnership. Adjacent Sheridan Hollow also underwent a massive redevelopment, with a $17 million project providing 100 units of affordable rental and homeownership opportunities, as well as office and commercial space, within easy walking distance to the downtown core. A large-scale rehab project for affordable housing is well underway in Arbor Hill, restoring over 70 structures with over 210 units of housing in one of Albany's more challenging neighborhoods. A second phase of this redevelopment broke ground in 2023, paving the way for an investment of $31 million that will provide 61 affordable housing units scattered over six development sites and bringing approximately 12,000 square feet of community-oriented commercial space including an incubator for MWBE start-ups online. Additionally, four affordable housing developments are currently underway in additional City neighborhoods. These investments, totaling more than $265 million, are anticipated to bring over 530 additional units online in the next two years.

City Services

The principal services provided by the City include public safety (including police and fire protection), solid waste collection and disposal, maintenance and cleaning of City streets (including snow removal), culture and recreation and general government. The Police Department includes a Patrol Division, an Administrative Division, Investigation and Detective Services, Special Services and the Office of Professional Standards. The Fire Department consists of several fire companies stationed in eight firehouses as well as fire investigation and emergency life support units. Water services and sewer services are provided by the Albany Municipal Water Finance Authority and the Albany Water Board. Maintenance of streets and roads and solid waste collection within the City is performed by the City's Department of General Services. Lighting of public streets, roadways, and parks is furnished by the City under contract with the National Grid Companies.

The City provides a variety of other services to City residents through several of its departments. The Department of Recreation administers over 80 recreation areas including 13 community parks and 11 major parks, which contain 29 playgrounds, 21 basketball courts, 22 tennis courts, 16 athletic fields, nine spray grounds, three pools, two community centers, and a nationally-recognized boxing gym. In addition, the City owns and maintains an 18-hole municipal golf course. This Department also administers and supports more than 20 youth programs and activities, including youth centers. The City also provides a substantial number of community service programs. The City encourages cultural events such as music concerts and outdoor theater, as well as numerous festivals. The City provides funding to certain arts organizations and other cultural programs.

Solid Waste

The City operates a landfill that generates revenue for the City's general fund. As lead agency of the multi-municipality Waste Consortium, the City has contracts with several municipalities to accept solid waste. The City owned and operated regional landfill received approximately $10.7 million in revenue in 2013, $11.8 million in 2014, $12.5 million in 2015, $11 million in 2016, $7.9 million in 2017, $6.6 million in 2018, $7.4 million in 2019, $5.6 million in 2020, $3.2 million in 2021, $2.9 million in 2022, $3.8 million in 2023, $3.7 million in 2024, and $3.75 million in 2025. The City has been reducing the amount of commercial waste that it accepts at the landfill in order to strategically extend the life of the landfill as it plans for the landfill's closure. Upon closure, the City will have to pay for disposal of its municipal solid waste. Under the current plan, the landfill is expected to close in 2028. The City has retained an outside consultant to assist with identifying the most cost-effective alternatives for solid waste management disposal.

Under the terms and conditions of the existing landfill permits issued by the New York State Department of Environmental Conservation, the City has been and remains obligated to identify a permanent, long term solution to deal with its solid waste. The City, together with the municipalities, recently completed a draft Solid Waste Management Plan and will act as lead agent in developing a long-term solid waste plan for the region.

Selected Wealth and Income Indicators

Per capita income statistics are available for the City, County and State. Listed below are select figures from the 2006-2010, 2016-2020, and 2019-2023 American Community Survey 5 Year Estimates.

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2020-2024	2006-2010	2016-2020	2020-2024
City of:						
Albany	$ 23,341	$ 29,664	$ 37,843	$ 52,215	$ 66,070	$ 89,005
County of:						
Albany	30,863	38,592	48,210	76,159	95,923	120,437
State of:						
New York	30,948	40,898	50,712	67,405	87,270	106,873

Source: U.S. Census Bureau, 2006-2010, 2016-2020, and 2020-2024 American Community Survey data.

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Population Trends

The following table presents population trends of the City, the Albany Metropolitan Statistical Area (the "MSA" consists of the six counties of Albany, Greene, Montgomery, Rensselaer, Saratoga and Schenectady), the State and the United States since 1950:

Population [1]

	City of Albany	Albany MSA	New York State	United States
1950	134,995	677,707	14,830,200	151,326,000
1960	129,726	746,115	16,782,300	179,323,000
1970	115,781	811,080	18,241,400	203,235,000
1980	101,727	835,800	17,558,000	226,504,825
1990	100,031	861,623	17,990,455	248,709,873
2000	94,301	892,604	18,976,457	281,421,906
2010	97,856	870,716	19,378,102	308,745,538
2018	97,279	883,169	19,542,209	327,167,434
2019	96,460	880,736	19,453,561	328,239,523
2020	99,224	880,776	20,201,249	331,449,281
2021	98,617	898,265	19,857,492	332,031,554
2022	100,826	901,729	19,673,200	333,271,411
2023	101,228	902,372	19,571,216	334,914,895
2024	101,317	902,372[2]	19,867,248	340,110,988
2025	101,698	915,835	20,002,427	341,784,857

[1] Data compiled by the U.S. Department of Commerce, Bureau of the Census and Center for Economic Growth.

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Employment

A major portion of non-agricultural workers have historically been employed by federal, state, or local governments. This sector comprises approximately 25% of the non-agricultural workforce in the Albany MSA. The following table provides a historical comparison among employment sectors for the Albany MSA.

Non-Agricultural Employment by Industry Groups, Albany MSA

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	(thousands)									
Mining & Construction	19.3	19.6	19.8	20.2	19.4	19.9	20.2	20.2	20.8	22.1
Manufacturing	26.3	26.6	26.9	26.2	25.5	25.9	26.8	27.7	27.7	27.4
Trade, Transportation & Public Utilities	75.5	74.6	74.5	74.4	69.8	73.0	75.4	76.4	75.8	79.0
Wholesale and Retail Trade	61.9	60.8	60.4	60.1	55.9	57.7	58.1	59.1	59.4	60.7
Financial Services	26.2	26.2	26.6	27.0	26.2	26.1	25.6	24.6	24.6	26.0
Education & Health Services	92.3	94.7	96.4	96.5	90.7	89.4	91.1	92.2	94.8	91.0
Government	101.1	101.6	101.6	102.8	99.3	96.5	98.6	100.6	103.8	100.1
Total	402.6	404.1	406.2	406.8	386.8	388.5	395.8	400.8	406.9	406.13

Source: New York State Department of Labor, Division of Employment, Employment by Industry.

Building Permits

Year	Residential	Apartments	Commercial and Industrial	Other	Total Dollar Value	Total Building Permits
2012	13,858,918	599,200	98,789,544	62,710	$113,310,372	2,273
2013	13,573,622	46,602	72,567,794	148,880	86,336,898	2,030
2014	39,297,874	-	117,888,114	16,000	157,201,988	2,047
2015	17,622,250	12,125	104,293,597	32,800	121,960,772	2,059
2016	30,975,920	12,169,502	108,297,413	6,624,108	158,066,943	2,215
2017	13,576,138	30,125	103,097,950	2,399,045	119,103,258	1,739
2018	20,121,274	17,521,293	102,139,365	12,992,729	152,774,661	4,176
2019	19,958,241	18,530,684	150,429,334	10,135,488	199,053,747	4,751
2020	15,678,216	24,326,587	73,816,234	1,139,010	114,960,047	2,596
2021	23,736,440	48,169,247	143,870,172	1,387,739	217,163,598	4,575
2022	24,201,104	91,819,235	218,219,338	6,826,011	341,065,688	4,132
2023	33,291,965	6,965,297	103,290,251	350,083	143,897,596	4,526
2024	32,528,625	28,243,600	191,336,406	538,400	252,647,031	5,756
2025	40,371,046	128,537,698	251,587,946	12,128,710	432,625,401	5,598
2026 [(1)]	47,812,366	25,043,506	124,582,444	7,238,584	204,676,900	4,277

[(1)] As of 10/15/2026.

Source: City Officials.

Ten Largest Employers in the City

Name	Type	Estimated Number of Employees
State of New York	Government	49,314
Albany Medical Center	Hospital	16,000
St. Peter's Health Partners	Hospital	5,800
University at Albany	Education	5,000
Verizon Communications	Utility	3,000
United States	Government	2,799
Center for Disabled	Health Care	2,100
Empire Blue Cross	Insurance	1,700
Albany County	Government	1,600
City of Albany	Government	1,380

Source: Employers as listed above.

Unemployment Rates

The industrial diversity and high proportion of government employees have afforded the City a higher employment level than the rest of the country. The following table gives historic levels of unemployment for the City, the Albany MSA, the State and the United States:

Unemployment Rates [(1)]

Year	City of Albany[(2)]	Albany MSA	New York State	United States
2010	8.4%	7.4%	8.7%	9.6%
2011	8.2%	7.2%	8.3%	8.9%
2012	8.5%	7.4%	8.6%	8.1%
2013	7.3%	6.5%	7.8%	7.4%
2014	5.9%	5.1%	6.3%	6.2%
2015	5.2%	4.5%	5.2%	5.3%
2016	4.9%	4.2%	4.9%	4.9%
2017	5.0%	4.3%	4.6%	4.9%
2018	4.4%	3.7%	4.1%	3.9%
2019	4.2%	3.5%	3.9%	3.7%
2020	9.0%	6.9%	9.8%	8.1%
2021	5.7%	4.4%	7.0%	5.4%
2022	3.8%	3.0%	4.3%	3.6%
2023	4.1%	3.2%	4.2%	3.6%
2024	3.8%	3.3%	4.3%	4.0%
2025	3.9%	3.4%	4.3%	4.3%

(1) These are annual averages of actual labor force and employment estimates.

(2) City unemployment rates are estimated by the New York State Department of Labor based on the relationship between City and County labor force statistics.

Source: New York State Department of Labor, Bureau of Labor Market Information.

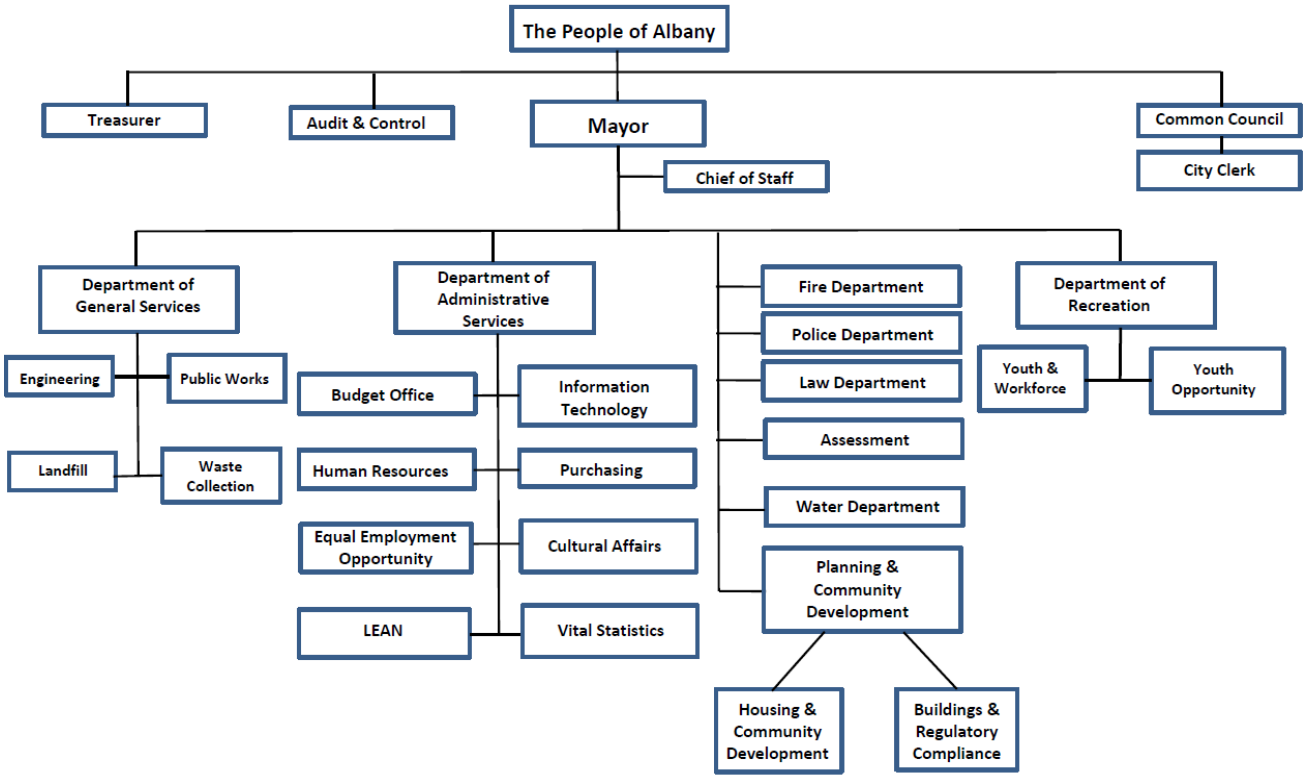
Employees

The City provides services through approximately 1,350 regular employees. The following information is for the 978 unionized employees:

Bargaining Unit	Approximate Number of Employees	Contract Expiration Date
Albany Police Benevolent Association	218	December 31, 2026
Albany Police Supervisors Association	44	December 31, 2026
Albany Permanent Professional Firefighters Association	270	December 31, 2026
Albany Police Non-Sworn, Council 82	46	December 31, 2028
Council 66-AFSCME-Local 1961	262	December 31, 2028
Communications Unit, Council 82	32	December 31, 2027
International Union of Operating Engineers	11	December 31, 2028
Teamsters Local 294	8	December 31, 2028
Albany DGS Supervisors, CSEA, AFSCME Local 1000	33	December 31, 2027
School Crossing Officers, SEIU	40	December 31, 2027
Buildings and Regulatory Compliance, CSEA	14	December 31, 2027

Government Organization

The City is governed largely by the provisions of its Charter and functions under provisions of the State Constitution and various statutes. The following is an organizational chart of the City.



The Common Council is the legislative body of the City. The President of the Common Council is elected in the general election to a four-year term. Council members are elected from each of the 15 wards within the City every four years or by special election in the event of a vacancy. The Common Council has the power to establish rules and procedures for itself, adopt local laws, set taxes and other revenue measures, adopt budgets, and approve all matters relevant to the administration of City government. Meetings of the Common Council are open to the public and are held twice a month.

The Mayor is the highest elected official and serves as chief executive officer of the City; she is elected in the general election to a four-year term without restriction as to number of terms. She is charged with the supervision of City government, subject to the provisions of the Charter. The Mayor reports annually to the Common Council on the state of the City, recommends an annual budget, appoints the head of every department and administrative unit of City government, except for the publicly elected Treasurer and Chief City Auditor, and executes contracts. There are twelve major City staff units in addition to the separately elected Treasurer and Chief City Auditor as shown above in the City of Albany Organizational Chart. Two elected officials, the Chief City Auditor and the Treasurer, and the appointed Budget Director, under the Commissioner of Administrative Services, administer the financial affairs of the City. The Treasurer is the chief fiscal officer of the City and is responsible for the fiscal integrity of the City including cash management, claims processing, administering bank accounts and debt issuance. The Treasurer is responsible for the collection, custody, and deposit of all taxes and other funds due the City and processing payroll. The Budget Director's responsibilities include the preparation and administration of the City's operating and capital budgets and establishment and management of fiscal control systems and management studies. The Budget Director works closely with all departments to develop the annual budget and five-year capital plan.

DISCUSSION OF FINANCIAL OPERATIONS

Budgetary Procedure

The budget process begins in mid-February when the Mayor issues a policy statement regarding the upcoming budget. In late April, the Budget Director distributes budget instructions to each department along with requests for the City's five-year capital plan.

During the year, the Budget Director develops the necessary economic and statistical data required for budget forecasting, which include changes in the financial indexes and revenue trends. The City's Assessor submits tentative assessment rolls. The Treasurer along with the Budget Director estimates revenues with each department administrator. The Treasurer submits estimated debt service needs, and the Assessor submits final assessment figures and realty tax data to the Mayor’s Office.

On or before October 1, the Mayor submits the proposed budget for the ensuing fiscal year and an accompanying budget message to the Common Council. On or before October 31, the President of the Common Council calls for a public hearing on the budget after having given two weeks’ notice to the public. After the public hearing, the Common Council may adopt the budget with or without amendment. The Common Council adopts the budget on or before November 30. No later than December 10, the Mayor shall act on the budget as amended and passed by the Common Council. On or before December 20, the Common Council may override a veto of one or more of its proposed amendments with a two-thirds vote of the full Common Council members.

The City’s 2025 budget included a 2.0% increase in the property tax levy, which equaled the City’s tax levy limit of 2.0%.

The City’s 2026 budget includes a 2.5% increase in the property tax levy, which was less than the City’s tax levy limit of 4.8%

The City’s proposed 2027 budget includes a 15% increase in the property tax levy, which exceeds the City’s tax levy for fiscal year ending December 31, 2027.

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Proposed 2027 Budget Summary

A summary of the proposed 2027 Budget is outlined below:

	Budget 2026
REVENUES	
Real Property Taxes	$73,888,250
Sales and Use Tax	56,500,000
State Aid	22,755,466
Capital City Funding	40,000,000
19A PILOT	15,000,000
Other PILOTS & Taxes	5,351,050
Federal Aid	1,012,470
Departmental Income	30,488,888
Landfill Income	3,773,300
Other Revenues	8,762,856
Appropriated Fund Balance	0
Total Revenues	257,532,280
EXPENDITURES	
Personal Services	$106,390,623
Equipment	2,238,673
Contractual Expenses	40,315,584
Employee Benefits	82,164,740
Debt Service	28,461,333
Interfund Transfers	200,000
Total Expenditures	$257,532,280

For additional detail of revenue and expenditures, the City's proposed 2027 budget is available on the City website (albanyny.org).

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Five-Year Capital Plan

As part of its budgeting process, the City prepares, on an annual basis, a five-year capital plan. The following table contains a summary of the City's five-year capital plan included in its proposed 2027 budget.

FIVE-YEAR DETAIL

Department / Project Name	Financial Method	2027	2028	2029	2030	2031	Grand Total
Community Services							
Tivoli Improvements	State	$ 300,000					$ 300,000
Albany 2060 Plan	Debt / State	$ 350,000					$ 350,000
Engineering							
ADA Compliance	Debt	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 5,000,000
Renovations to City Buildings	Debt	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 12,500,000
Roadway Striping	Debt	$ 425,000	$ 450,000	$ 500,000	$ 500,000	$ 500,000	$ 2,375,000
Sidewalk Reconstruction	Debt	$ 700,000	$ 750,000	$ 800,000	$ 800,000	$ 800,000	$ 3,850,000
Street Reconstruction	Debt / State	$ 9,468,000	$ 14,468,000	$ 14,468,000	$ 14,468,000	$ 14,468,000	$ 67,340,000
Streetlights Capital Improvements	Debt	$ 1,640,000	$ 700,000	$ 650,000	$ 650,000	$ 650,000	$ 4,290,000
Traffic Speed Reduction	Debt	$ 500,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 4,500,000
Bridge Repairs	Debt	$ 1,750,000					$ 1,750,000
Central Avenue TIP project	Debt		$ 13,000,000				$ 13,000,000
Washington Avenue Complete Streets	Debt / Grant			$ 716,000			$ 716,000
Solar at Engineering	Debt / State		$ 410,000				$ 410,000
Washington Avenue Redesign Study	Debt / State		$ 100,000				$ 100,000
EV Charging Stations	Debt / State	$ 1,270,000					$ 1,270,000
Washington Park Traffic Reconfiguration	Debt / State		$ 7,732,000				$ 7,732,000
CAP State and Eagle	Debt	$ 3,400,000					$ 3,400,000
Fire & Emergency Services							
Fire & EMS Protective Equipment	Cash	$ 200,000	$ 225,000	$ 250,000	$ 275,000	$ 300,000	$ 1,250,000
Fire Apparatus	Debt		$ 1,500,000	$ 2,500,000	$ 2,500,000	$ 2,750,000	$ 9,250,000
Fire Station Infrastructure Improvements	Debt	$ 400,000	$ 425,000	$ 450,000	$ 475,000	$ 500,000	$ 2,250,000
General Services							
Transfer Station	Debt	$ 12,000,000					$ 12,000,000
Ridgefield Park Restroom	Debt	$ 500,000					$ 500,000
Upper Lincoln Gateway	State			$ 830,142			$ 830,142
Police							
Public Safety IT Systems	Debt	$ 3,250,000	$ 3,250,000	$ 3,250,000	$ 3,250,000	$ 3,250,000	$ 16,250,000
Vehicles & Equipment Replacement	Debt	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 7,500,000
APD Infrastructure	Debt	$ 500,000					$ 500,000
Recreation							
Court Resurfacing	Debt / Cash	$ 300,000	$ 300,000	$ 300,000	$ 100,000	$ 100,000	$ 1,100,000
Playgrounds	Debt	$ 1,500,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 2,500,000
Spray Pads	Debt	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 1,000,000
Swinburne Ice Rink Roof	Debt / State	$ 1,675,000					$ 1,675,000
Tirino Field Improvements	Debt	$ 350,000					$ 350,000
Island Creek Park Design	Debt / State		$ 500,000				$ 500,000
Arbor Hill Sport Complex Playground	Debt			$ 150,000			$ 150,000
Colonie St Playground	State			$ 174,266			$ 174,266
Grand Total		**$ 45,678,000**	**$ 50,260,000**	**$ 31,488,408**	**$ 29,468,000**	**$ 29,768,000**	**$ 186,662,408**

Financial Control Procedures

The Treasurer, the City Auditor and the Budget Director are responsible for controlling municipal expenditures to ensure that budget appropriations for the City are not exceeded and for reviewing all revenues received by the City. The Auditor's Office audits payment requests to ensure budget appropriation, departmental authorization, and compliance with applicable contracts and the City Charter, City ordinances, and State laws.

The Treasurer is empowered by the Common Council to borrow moneys as needed for the uninterrupted operations of the City, subject to the applicable provisions of the Local Finance Law and the General Municipal Law.

Accounting Practice and Independent Audits

Under State law, a uniform system of accounting and reporting is prescribed by the State Comptroller for all municipalities. An annual financial report for every municipality must be filed with the State Comptroller within 120 days after the close of the fiscal year. This report is categorized by fund and shows as of the end of the fiscal year (1) a balance sheet, (2) a statement of revenues, (3) a statement of expenditures, (4) an analysis of fund balances, (5) cash reconciliation, (6) a statement of indebtedness, and (7) any other particular fund data which are required.

The City retains independent certified public accountants to conduct annual audits of its financial statements. The State Comptroller's office also conducts periodic audits of the City to determine compliance with the State Uniform System of Accounts for Cities and submits its report to the Common Council and the Mayor.

Throughout this Official Statement**,** the financial information for 2017 through 2024 is derived from the City's audited financial statements. The City's 2025 audited financial statement is attached to this Official Statement as APPENDIX – E.

Since 2004 the City's audited financial statements have been in compliance with Government Accounting Standards Board (GASB) Statement 34.

FINANCIAL HISTORY OF THE CITY

General Fund

The City prepares and adopts a budget for each year pursuant to Article 6 of the New York Second Class Cities Law and the City of Albany Charter. The City's General Fund budget is prepared on a budgetary legal basis. Such basis is not in accordance with generally accepted accounting principles ("GAAP") in certain respects, principally adjustments for encumbrances. Budgetary accounting treats encumbrances as a charge against current year budgetary appropriations and unreserved fund balance is reduced. Under GAAP, encumbrances are recognized only as a reservation of fund balance.

Albany Municipal Water Finance Authority and Albany Water Board

Pursuant to Chapters 868 and 869 of the Laws of 1986, as amended, the State Legislature, at the request of the City, created the Albany Water Board (the "Water Board") and the Albany Municipal Water Finance Authority (the "Water Authority"). In 1988, the Authority issued $46,700,000 of its special obligation revenue bonds to finance the acquisition of the City's water and sewer system (the "System") and the construction of certain improvements to the System. A portion of the purchase price for the System was used to defease outstanding general obligation debt issued by the City to finance improvements to the System.

Since 1988, the Authority has issued additional special obligation revenue bonds, both to refund outstanding obligations and to finance new projects undertaken by the Water Board. Most recently, the authority issued $21,293,955 Revenue Bonds on February 25, 2025 and $1,052,500 Clean Water Notes, 2025 on February 27, 2025 through New York State EFC.

Bonds issued by the Water Authority are special obligations of the Water Authority and do not bear the full faith and credit of the City. The bonds issued by the Water Authority are payable solely from and secured by a pledge of the gross revenues of the System, which are collected by the Water Board. The Water Board is empowered to raise water and sewer rates in order to ensure sufficient revenues are available to the Authority to pay debt service on the bonds issued by the Authority.

Following the sale of the System to the Water Board, the City eliminated the Special Revenue Sewer Fund and the Water Fund. The proceeds of the sale of the System were used to retire existing indebtedness of the City and to reimburse the City for monies advanced to the water and sewer funds.

Under the City's operating agreement with the Water Board, expenses of operating the water system are paid by the City and reimbursed by the Water Board as funds from rate payers becomes available.

Revenues

The City has a relatively diversified revenue base, deriving 28% of General Fund revenues budgeted for fiscal 2025 from real estate taxes, 23% from State Aid and charges for services (including the landfill), 23% from sales and use taxes and 26% from miscellaneous other sources.

Real Property Tax Base

Approximately 63% of the City's property is tax-exempt, which decreases the City's real property tax base without a proportionate decrease in the need for many City services. While some of this property is owned by charitable institutions such as universities and hospitals, the major owner of tax-exempt property in the City is the State (60% of the tax-exempt property). The City continues to seek additional special compensation from the State to offset this impairment of its real property tax base and structural deficit. State legislation enacted in 2000 and amended in 2005, 2006, 2012, 2013 and 2016 provides payments under Section 19-a of the Public Lands Law for the Empire State Plaza government complex. The statute provided for annual payments to the City of $22,850,000 through 2010 and then $15 million annually from 2011 through 2033. The 2012 amendment provided for a payment of $22,850,000 in 2012 and $7,150,000 in 2033. The 2013 amendment provided for a payment of $22,850,000 in 2013 and $7,150,000 in 2032. The 2016 amendment provided for a payment of $27,500,000 in 2016 and $1,800,000 in 2032.

The City also received Capital City Funding of $12,500,000 in 2017 without any reduction in future PILOT payments. The City received $12,000,000 from the State in 2018 and 2019, a reduced amount of $10,800,000 from the State in 2020 due to revenue shortfalls created by the pandemic, $13,200,000 in 2021, $15,000,000 in 2022, 2023, 2024 and $20,000,000 in 2025.

The City received the amount of $15,000,000 from the State in 2024.

The City received $20,000,0000 in Capital City Funding for 2025.

The City received $20,000,0000 in Capital City Funding for 2026 along with an additional State Aid payment of $20,000,000. Both are anticipated to continue for at least an additional two years.

See "State Aid" and "Real Estate Property Tax" herein for further details. The City also receives PILOT payments from the State for properties occupied by the Dormitory Authority of the State of New York, the State Comptroller's Office and the New York State Department of Environmental Conservation.

Real Estate Property Tax

City tax collection procedures are such that the City bears none of the burden of uncollected or delinquent real estate taxes. One tax bill is presented to City residents for all City and County real estate taxes. The City then collects real estate taxes for both the City and the County, retains a portion of the taxes collected equal to its final tax levy, and remits the remaining portion to the County. Delinquent taxes are accordingly turned over to the County for collection and are retained by the County as a portion of its tax levy. Although the City bears none of the burden of uncollected or delinquent taxes, a reduction in the assessed valuation of real property within the City after establishment of the annual budgeted tax levy would cause the amount of taxes collected to be less than the budgeted amount. Reductions in the assessed valuation of real property within the City are generally a result of certiorari proceedings. The tax levy for fiscal year 2013 was $55,148,000 which was the same as 2012's tax levy. The tax levy for fiscal year 2014 increased to $56,048,000 which was an increase of $900,000 or almost 2%. The tax levy for fiscal year 2015 increased to $56,827,890 which was an increase of $779,890 or 1.40%. The tax levy for fiscal year 2016 remained at $56,827,890. The tax levy for fiscal year 2017 increased to $58,000,000. The tax levy for fiscal year 2018 increased to $58,550,000. The tax levy for fiscal year 2019 remained at $58,550,000. The tax levy for fiscal year 2020 increased to $58,850,000. The tax levy for fiscal year 2021 increased to $59,850,000. The tax levy for the 2022 year remained constant at $59,850,000. The tax levy for the 2023 year increased at $60,747,750. The tax levy for the 2024 year increased at $61,497,000. The tax levy for the 2025 year increased at $62,731,000. The tax levy for the 2026 year increased at $64,305,000.

The City also receives Payment in Lieu of Taxes (PILOT) payments from certain commercial properties and State owned properties in the City. The City received PILOT payments of $27,191,038, $26,440,452, $19,475,487 and $20,769,510 in 2012, 2013, 2014 and 2015 respectively. The PILOT payments in 2016 totaled $32,435,189. The reduction in 2014 resulted from a scheduled reduction of $7,850,000 in the State's 19-a payments for the Empire State Plaza complex, which is the source of the largest PILOT payment received by the City. The increase in PILOT payments for 2016 was the result of a one-time increase of $12,500,000 in 19-a payments to the City which brought the total Empire State Plaza payment to $27,500,000.

The 2020 PILOT payments totaled $19,273,374.

The 2021 PILOT payments totaled $19,377,932.

The 2022 PILOT payments totaled $19,646,194.

The 2023 PILOT payments totaled $19,629,395.

The 2024 PILOT payments totaled $18,616,473.

The 2025 PILOT payments totaled $17,405,364.

The 2026 budget anticipates $19,000,000 in PILOT payments.

See "State Aid" and "Real Estate Property Tax" herein for further details. The City also receives PILOT payments from the State for properties occupied by the Dormitory Authority of the State of New York, the State Comptroller's Office and the New York State Department of Environmental Conservation.

Under Section 19-a of the Public Lands Law, the State makes annual payments to the City with respect to the Empire State Plaza Complex in accordance with the following schedule:

FISCAL YEAR	PREVIOUS AMOUNT [1]	NEW AMOUNT [1]
2007	$ 16,130,000	$ 22,850,000 [2]
2008	15,410,000	22,850,000 [2]
2009	14,690,000	22,850,000 [2]
2010	13,970,000	22,850,000 [2]
2011	13,250,000	15,000,000 [2]
2012	12,530,000	22,850,000 [2]
2013	11,810,000	22,850,000 [2]
2014	11,090,000	15,000,000 [2]
2015	10,370,000	15,000,000
2016	9,650,000	27,500,000
2017	8,930,000	15,000,000
2018	8,210,000	15,000,000
2019	7,490,000	15,000,000
2020	6,770,000	15,000,000
2021	6,050,000	15,000,000
2022	5,330,000	15,000,000
2023	4,610,000	15,000,000
2024	3,890,000	15,000,000
2025	3,170,000	15,000,000
2026	2,450,000	15,000,000
2027	1,730,000	15,000,000
2028	1,010,000	15,000,000
2029	310,000	15,000,000
2030	0	15,000,000
2031	0	15,000,000
2032	0	1,800,000
2033	0	0

[1] For description of the difference between the "PREVIOUS AMOUNT" and the "NEW AMOUNT" please see "Real Property Tax Base", herein.

[2] The City has received the payments as shown

Sales Tax

The City's sales and other non-property tax revenues are comprised of the State sales tax, utilities gross receipts tax, franchise tax, and privilege taxes on coin-operated machines. The sales tax is assessed, collected and monitored by the State. Of the current 8% sales tax collected in the County, the State keeps 4% and pays 4% to the County on a monthly basis. Through a 1986 act of the Albany County Legislature, the County shares 40% of its collected sales tax with the municipalities within its borders. The distribution percentages are based upon the municipalities' share of the County population at the last Federal census. Of the 40% shared with municipalities, the City receives 32.17% of the total. Although the County Legislature can decide to change the allocation of sales tax to its municipalities, the allocation has not been changed since it was first enacted in 1986. Prior to 1992, the sales tax was 7% and the County's share was 3%. Beginning in September 1992, the County Legislature requested the State Legislature to temporarily add 1% to the County's share of the tax, making the County's share 4%. Both the County and State Legislatures have extended the temporary increase every two years.

The following table shows the City's sales tax receipts for the five years ended December 31, 2020 to 2025 and the budgeted for 2026.

Sales Tax Receipts
For Fiscal Year Ending December 31

Year	Amount
2020	$ 34,098,653
2021	40,514,371
2022	44,862,476
2023	45,261,939
2024	46,685,814
2025	47,299,355
2026 (Budgeted)	50,358,000

The following table shows the City's utilities gross receipts tax revenues for the five years ended December 31, 2020 to 2025 and the budgeted for 2026. This tax is levied on commercial and industrial concerns, which produce a utility product and sell the oversupply, and owners or lessees of business buildings who purchase a utility service and resell all or a part of the quantity purchased.

Utilities Gross Receipts Tax Revenues
For Fiscal Year Ending December 31

Year	Amount
2020	$1,278,706
2021	1,704,099
2022	1,589,587
2023	2,331,535
2024	1,723,216
2025	1,727,159
2026 (Budgeted)	2,000,000

Intergovernmental Charges

The following table shows the City's receipts for intergovernmental charges for the five years ended December 31, 2020 to 2025 and the budgeted amount for 2026. The main component of intergovernmental charges includes tipping fees from municipalities served by the Albany landfill. It also includes municipal contracts with the Albany Police Department Computer aided dispatch system.

Intergovernmental Charges
For Fiscal Year Ending December 31

Year	Amount
2020	$ 1,256,809
2021	919,304
2022	1,817,557
2023	3,324,989
2024	3,798,811
2025	2,254,893
2026 (Budgeted)	2,844,400

State Aid

From 2016 to 2023, State aid (excluding 19-a PILOT payments) constituted between 9.6% and 17.1% of the City's General Fund revenues. State aid includes direct aid and grants and payments for certain services. In its General Fund for the 2023 fiscal year, the audited total $31,662,573 or 14.5% and for the 2024 fiscal year budgeted $32,480,268, or 14.4% of General Fund and for the 2025 fiscal year budgeted $39,242,862 or 17.7% of revenue in State Aid. In 2017, the City received the first Capital City Funding payment of $12,500,000.

In 2020 the City received a reduced payment of $10,800,000 in revenue due to the economic impact of the pandemic. $12,500,000 in revenue is included in the budget for 2021.

In 2021 the City received a payment of $ 13,200,000 in revenue. $15,000,000 in revenue is included in the budget for 2022.

In 2022 the City received a payment of $15,000,000 in revenue. $15,000,000 in revenue is included in the budget for 2023.

In 2023 the City received a payment of $15,000,000 in revenue. $15,000,000 in revenue is included in the budget for 2024.

In 2024 the City received a payment of $15,000,000 in revenue. $20,000,000 in revenue is included in the budget for 2025.

In 2025 the City received a payment of $20,000,000 in revenue. $20,700,000 in revenue is included in the budget for 2026 with the state committing an additional $20,000,000 in 2026.

In 2026 the City received $20,000,000 Capital City funding along with an additional $20,000,000 for a total of $40,000,000 in revenue. The City expects the $40,000,000 in revenue to continue for at least two additional years.

The following table sets forth the percentage of General Fund revenues of the City comprised of State Aid for each of the fiscal years 2016-2025 and budgeted amounts for 2026:

State Aid Payments
Fiscal Year Ending December 31

Fiscal Year	General Fund Revenues	State Aid [1]	State Aid as a Percentage of General Fund Revenue
2016	$ 173,612,620	$ 16,677,313	9.6%
2017	172,670,162	29,601,181 [1]	17.1%
2018	178,760,621	28,537,434 [2]	16.2%
2019	178,589,333	28,932,931	16.2%
2020	169,755,280	26,512,679	15.6%
2021	198,495,734	33,897,662 [3]	17.1%
2022	199,826,274	31,348,732 [3]	15.7%
2023	218,476,081	31,662,573 [3]	14.5%
2024	214,979,882	32,574,460 [4]	15.15%
2025	205,811,088	38,342,858	18.63%
2026 (Budgeted)	228,408,909	42,030,862	18.40%

[1] 2017 includes the first $12,500,000 payment form the State for Capital City Funding
[2] 2018 includes a second year payment of $12,000,000 from the State for Capital City Funding.
[3] Includes a $15,000,000 budgeted payment from the State for Capital City Funding.
[4] Includes a $16,549,908 budgeted payment from the State for Capital City Funding.

Source: City of Albany Treasurer's Office.

Appropriated Fund Balance

The City has used appropriated fund balance to help in balancing its budget for the past several years. The following table sets forth the amount of fund balance the City has appropriated to assist with balancing its budget for each of the fiscal years 2010-2026 as well as the amount actually applied for 2010-2015. In 2024, the City ended the year with a deficit of $2,615,936. In 2025, the City ended the year with a deficit of $22,831,600.

Fiscal Year	Fund Balance Appropriated in Budget	Actual Fund Bal. (Used)/ Surplus	Year End Total Fund Balance
2010	$ (5,261,000)	$ 907,452	17,032,434
2011	(6,134,000)	2,841,141	19,873,575
2012	(5,635,000)	947,242	20,820,817
2013	(4,269,789)	(801,077)	19,990,783
2014	(9,801,000)	(9,651,855)	9,874,239
2015	(2,000,000)	(4,745,437)	4,988,388
2016	0	8,138,157	13,126,545
2017	0	(2,184,190)	10,942,355
2018	0	6,695,324 [1]	17,637,679
2019	0	4,149,186	23,460,664
2020	0	(6,687,079)	16,773,585
2021	0	454,583	17,228,168 [1]
2022	0	(562,468)	16,665,702
2023	(145,000)	543,244	17,208,946
2024	0	(2,615,936)	14,593,010
2025	0	(22,831,600)	(8,238,590)
2026	0	N/A	N/A

[1] 2021 Fund Balance includes prior period audit adjustments which increased the year-end balance.

[2] The City used its debt service reserve and unrestricted fund balance in 2025, and received both, its annual $20,000,000 Capital City Funding amount and an additional $20,000,000 in temporary assistance from the State, which is expected to continue for at least two additional years.

The City anticipates another budget deficit in the 2026 and 2027 fiscal years. If fund balance is not available in future fiscal years, the City will need to increase other revenues or cut expenses to achieve balanced budgets.

Expenses

In 2023, General Fund expenditures were budgeted at $217,717,711 and actual expenditures were $215,551,292. Of this amount, public safety constituted 53%, general government expenses constituted 20%, debt service constituted 9%, employee benefits constituted 9%, culture and recreation constituted 2%, transportation constituted 4%, and community service constituted 3%.

In 2024, General Fund Expenditures were budgeted at $226,010,911 and actual expenditures were $215,701,844.

In 2025, General Fund expenditures were budgeted at $221,256,965 and actual expenditures were $231,293,485.

In 2026, General Fund expenditures were budgeted at $228,408,909.

Debt Service

The General Fund debt service expenditures for the past five years as well as budgeted amounts for 2026 are as follows:

Debt Service
For Fiscal Year Ending December 31

Year	Amount
2021	$14,917,315
2022	18,311,862
2023	18,136,853
2024	15,116,343
2025	16,624,638
2026 (Budgeted)	21,135,000

These amounts include principal and interest payments on long-term bonds as well as interest and any required pay down amounts on bond anticipation notes.

Pension Payments

All full-time employees of the City are members of the New York State Employees' Retirement System ("ERS") or the New York State Policemen's and Firemen's Retirement System ("PFRS" and collectively with ERS, the "State Systems"). Based on earnings data for each member of the State Systems which the City supplies to the State Systems, the State Systems bill the City annually. The State administers the program and distributes all benefits.

On December 10, 2009, then Governor Paterson signed into law pension reform legislation that will provide (according to a Division of the Budget analysis) more than $35 billion in long-term savings to State taxpayers over the next thirty years. The legislation created a new Tier V pension level.

Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, Governor Cuomo signed into law the new Tier VI pension program, effective for new ERS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

The 2013-14 State Enacted Budget included a provision that provides local governments, including the City, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS (the "State Rate Pension Contribution Option"). For 2014 and 2015 the rate is 12.0% for ERS and 20% for PFRS; the rates applicable to 2016 and thereafter are subject to adjustment. The pension contribution rates under this program would reduce near-term payments for employers but will require higher than normal contributions in later years. The City is not participating in the Stable Rate Pension Contribution Option and does not intend to do so in the foreseeable future.

The following table shows the total actual payments made by the City to the State Systems in the years 2011-2025 and budgeted payments in 2026:

City Payments
Fiscal Year Ending December 31:

Year	Amount
2011	$ 11,771,725 [1]
2012	12,763,522 [2]
2013	14,331,795 [3]
2014	14,898,915 [4]
2015	14,532,547 [5]
2016	15,827,925 [6]
2017	15,733,125 [7]
2018	16,086,716 [8]
2019	16,407,545 [9]
2020	16,981,302 [10]
2021	17,644,395 [11]
2022	20,588,424[12]
2023	19,875,551[13]
2024	21,226,040[14]
2025	22,411,661[15]
2026 (Budgeted)	19,974,217

[1] In 2011 the City under the Chapter 57, Laws of 2010 amortized $1,699,524 of the total $13,471,249 retirement contribution.
[2] In 2012 the City under the Chapter 57, Laws of 2010 amortized $3,935,771 of the total $16,699,293 retirement contribution.
[3] In 2013 the City under the Chapter 57, Laws of 2012 amortized $6,005,734 of the total $20,337,529 retirement contribution.
[4] In 2014 the City under the Chapter 57, Laws of 2012 amortized $3,564,870 of the total $18,463,785 retirement contribution.
[5] In 2015 the City under the Chapter 57, Laws of 2012 amortized $879,798 of the total $15,412,345 retirement contribution.
[6] In 2016 the City under the Chapter 57, Laws of 2012 amortized $1,198,171 of the total $17,026,096 retirement contribution.
[7] In 2017 the City under the Chapter 57, Laws of 2012 amortized $1,245,976 of the total $16,979,101 retirement contribution.
[8] In 2018 the City under the Chapter 57, Laws of 2012 amortized $807,437of the total $16,894,153 retirement contribution.
[9] In 2019 the City under the Chapter 57, Laws of 2012 amortized $464,492 of the total $16,872,037 retirement contribution
[10] In 2020 the City under the Chapter 57, Laws of 2012 amortized $651,220 of the total $17,632,522 retirement contribution
[11] In 2021 the City under the Chapter 57, Laws of 2012 amortized $2,322,529 of the total $19,966,924 retirement contribution
[12] In 2022 the City under the Chapter 57, Laws of 2012 amortized $1,730,005 of the total $22,318,429 retirement contribution
[13] In 2023 the City under the Chapter 57, Laws of 2012 amortized $1,718,707 of the total $21,594,258 retirement contribution
[14] In 2024 the City under the Chapter 57, Laws of 2012 amortized $3,327,625 of the total $24,553,664 retirement contribution
[15] In 2025 the City under the Chapter 57, Laws of 2012 amortized $5,145,470 of the total $27,557,131 retirement contribution

Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2021 to 2026) is shown below:

Year	ERS	PFRS
2021	14.6%	24.4%
2022	16.2	28.3
2023	11.6	27.0
2024	13.1	27.8
2025	15.2	31.2
2026	16.5	33.7

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use. The City amortized a portion of its pension costs as described above.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the City's employees is not subject to the direction of the City. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the State Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the City which could affect other budgetary matters. Concerned investors should contact the State Systems administrative staff for further information on the latest actuarial valuations of the State Systems.

Other Post-Employment Benefits

OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until 1999, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

The City provides post-retirement healthcare benefits to various categories of former employees. Although the City has taken steps to reduce the cost of these benefits, healthcare costs continue to rise and could rise substantially in the future. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB") requires municipalities to account for post-retirement healthcare benefits as it accounts for vested pension benefits.

In June 2015, the GASB issued GASB Statement 75 ("GASB 75") which supersedes GASB 45. GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. GASB 75 was implemented by the City for the fiscal year ending December 31, 2018. Actuarial valuation will be required every two years for GASB 75.

Summary of Changes from the Last Valuation.

The City contracted with Aquarius, actuarial firm, to calculate its OPEB liability in accordance with GASB 75. The following outlines the changes to the Total OPEB Liability during the 2024 and 2025 fiscal years, by source.

Balance beginning at:	January 1, 2024	January 1, 2025
	$ 321,150,959	$ 308,709,856
Changes for the year:		
Service cost	2,866,226	2,828,248
Interest	13,200,723	13,140,684
Change in benefit terms	-	-
Differences between expected and actual experience	-	-
Changes in assumptions or other inputs	(11,832,824)	(6,717,868)
Benefit payments	(16,675,228)	(17,388,473)
Net Changes	$ (12,441,103)	$ (8,137,409)

Balance ending at:	December 31, 2024	December 31, 2025
	$ 308,709,856	$ 300,572,447

Source: GASB 75 Actuarial Valuation of the City. The above tables are not audited.

Additional information regarding this information may be obtained from the City Treasurer's Office upon request. The City's audited financial statements are in full compliance with GASB 75.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law in past legislative sessions. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced.

Other Information

No principal or interest upon any obligation of the City is past due.

The fiscal year of the City ends December 31.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the City.

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New York State Comptroller Report of Examination

State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the City has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released an audit report of the City on September 30, 2026. The purpose of the audit was to provide an independent evaluation of the City of Albany's (City's) adopted budgets for fiscal years 2025 and 2026.

The City's fiscal year 2025 and 2026 adopted budgets total $221,709,865 and $228,408,909, respectively. The State Comptrollers review addressed the following question related to the City's fiscal year adopted budgets:

Were the significant revenues and expenditures in the City's fiscal year 2025 and 2026 adopted budgets reasonable?

Overall, the State Comptrollers Office determined that significant revenue and expenditure estimates in the City's fiscal year 2025 and 2026 adopted budgets were not reasonable. City officials did not prepare budgets using realistic estimates based on historical trends, actual results and the most current and accurate information available. In addition, City officials relied on nonrecurring revenues to fund recurring expenditures.

Key Findings

- The review identified significant revenue estimates that were not based on reasonable amounts the City would receive. In some cases, estimates were not supported by historical trends, actual results or the most current information available. In particular, sales tax, traffic violation fines, payments in lieu of taxes (PILOTs), federal and State aid and interfund transfers were overestimated. These practices increase the risk that actual revenues will fall short of budget estimates and contribute to operating deficits.
- The review identified significant appropriations that were not based on reasonable estimates. In particular, appropriations for police overtime and retiree health insurance were underestimated. In addition, the City provided limited funding for contingencies and did not adequately consider the potential financial impact of unsettled collective bargaining agreements. These practices increase the risk that actual expenditures will exceed budgeted appropriations and contribute to operating deficits.
- The review identified that City officials relied on nonrecurring funding to fund recurring personal service costs. Nonrecurring revenues, such as temporary aid and fund balance are generally more appropriate for one-time or nonrecurring expenditures. Using nonrecurring revenues to fund recurring expenditures can create future budget gaps when those revenues are no longer available and the recurring expenditures continue.

Key Recommendations

City Officials and the Common Council should:

1. Develop a plan to achieve and maintain structurally balanced budgets by identifying sustainable funding sources for recurring expenditures and discontinuing the practice of relying on nonrecurring revenues to fund recurring expenditures.
2. Develop annual budgets using realistic estimates based on historical trends, actual results, current information and other relevant supporting documentation and consider known or reasonably anticipated costs.
3. Closely monitor actual revenues and expenditures against budget estimates throughout the fiscal year and make timely budget modifications when necessary to address projected shortfalls and help maintain a balanced budget.
4. Maintain documentation supporting significant revenue and appropriation estimates, including the assumptions, calculations and other information used to develop these estimates.

There are no State Comptrollers audits of the City currently in progress or pending release at this time.

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past five years for the City are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2025	Significant	85.0
2024	Moderate Fiscal Stress	61.3
2023	Moderate Fiscal Stress	57.9
2022	Susceptible Fiscal Stress	47.9
2021	Susceptible Fiscal Stress	47.9

Source: Website of the Office of the New York State Comptroller.

Note: Reference to websites implies no warranty of accuracy of information therein.

TAX INFORMATION

Valuations

Years Ending December 31:	2022	2023	2024	2025	2026
Assessed Valuation	$4,874,280,500	$ 4,842,987,570	$4,882,376,508	$7,428,612,445	$7,414,289,776
State Equalization Rate	89.50%	79.72%	70.83%	100.00%	96.00%
Full Valuation	$5,446,123,464	$ 6,074,996,952	$6,893,091,216	$7,428,612,445	$7,723,218,517

Tax Rate Per $1,000 (Assessed)

Years Ending December 31:	2022	2023	2024	2025	2026
Homestead Rate	$ 10.97	$ 11.15	$ 11.71	$ 7.31	$ 7.47
Non–Homestead Rate	14.46	14.81	14.14	10.42	10.98

Note: Tax Rates per $1,000 assessed value are not available for the 2026 tax roll as of this Official Statement

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Tax Collection Record

Years Ending December 31:	2022	2023	2024	2025	2026
City Tax Levy	$ 59,725,997	$ 60,847,750	$ $ 61,523,418	$ 59,621,414	$ 64,055,120
County Tax & Relevies	20,799,111	19,641,227	29,861,489	20,864,853	35,423,057
Total Tax Levy	$ 80,525,108	$ 80,488,977	$ 91,384,907	$ 80,486,267	$ 99,478,177
City Tax Uncollected End of Year	$ 1,667,956	$ 1,877,264	$ 2,307,772	$ 1,692,438	$ 2,944,424 (2)
County Tax & Relevies Uncollected End of Year	2,609,388	3,384,775	3,023,103	2,204,073	5,118,807 (2)
Total Tax Levy Uncollected	$ 4,277,344	$ 5,262,039	$ 5,330,875	$ 3,896,511	$ 8,063,231 (2)
Uncollected End of Year (1)	5.31%	6.54%	5.83%	4.84%	8.11% (2)

(1) The City receives 100% of the Tax Levy (less any reductions in assessments), and uncollected amounts become the responsibility of the County.

(2) Uncollected amounts as of 10/1/26.

Tax Collection Procedure

Tax payments are levied on January 1 of each year and are due and payable by January 31. A penalty of 4% is added for late payments made in February, and for payments made on or after March 1 an additional penalty is included at the rate of 1% per month. After December 31, payments must be made to the County Comptroller.

City and County tax collection procedures are such that the City bears none of the burden of uncollected or delinquent real estate taxes. One tax bill is presented to City residents for all City and County real estate taxes. The City then collects real estate taxes for both the City and the County, retains a portion of the taxes collected equal to its final tax levy, and remits the remaining portion to the County. Delinquent taxes are accordingly turned over to the County Comptroller for collection and are retained by the County as a portion of its tax levy. The City is not responsible for the collection of taxes of any other governmental unit.

Although the City bears none of the burden of uncollected or delinquent taxes, a reduction in the assessed valuation of real property within the City after establishment of the annual budgeted tax levy would cause the amount of taxes collected to be less than the budgeted amount. Reductions in the assessed valuation of real property within the City are generally a result of certiorari proceedings.

Largest Taxpayers - (2026 Tax Roll)

The updated information below is based on highest taxpaying parcels not the highest taxpaying taxpayer.

Name	Type	Taxable Assessed Valuation
National Grid 555.-7	Utility	$264,483,547
National Grid 601.1	Utility	55,686,341
Alexander at Patroon	Apartment Building	44,996,000
Washington Commons	Commercial	24,617,800
Wal-Mart Stores	Commercial	23,065,500
Burke Community Services	Apartment Building	21,628,200
Shelbourne Albany, LLC	Office Building	19,888,000
1475 Washington Ave Assoc, LLC	Apartment Building	15,158,300
Washington Commons	Commercial	15,154,800
1415 Washington Property, LLC	Apartment Building	13,000,000

The largest taxpayers listed above have a total estimated assessed valuation of $519,193,381 which represents approximately 7.00% of the tax base of the City.

There are no outstanding tax certiorari that are anticipated to have a material impact on the finances of the City, however, Burke Community Services have signed a court order reducing their assessment. Even though the court order was signed in March, they have not filed it and remain with their old assessment.

Note: The City receives payments in lieu of taxes from various tax-exempt entities, including the State.

Payments In Lieu of Taxes

The following are the payments in lieu of taxes received in 2021-2025 and budgeted payments for 2026:

Payments In Lieu of Taxes
For Fiscal Year Ending December 31

Year	Amount
2021	$ 19,131,495
2022	19,279,890
2023	19,239,150
2024	18,616,473
2025	17,405,364
2026 (Budgeted)	15,000,000

Constitutional Tax Margin

Computation of Constitutional Tax Margin for fiscal years ending December 31, 2021 through 2025:

Years Ending December 31:	2022	2023	2024	2025	2026
Five-Year Average Full Valuation	$5,068,370,198	$5,321,970,972	$5,728,597,405	$6,214,605,123	$6,727,859,088
Tax Limit - 2% of Five-Year Average	101,367,404	106,439,419	114,571,948	124,292,102	134,557,182
Exclusions From Tax Limit	16,504,803	17,494,022	13,022,085	13,716,419	16,209,000
Total Taxing Power	117,872,207	123,933,441	127,594,033	138,008,521	150,766,182
Less Total Levy	61,327,697	62,138,470	63,277,653	64,417,474	66,316,980
Tax Margin	$ 56,544,510	$ 61,794,971	$ 64,316,380	$ 73,591,047	$ 84,449,202

Additional Tax Information

Real property located in the City is assessed by the City.

Veterans and senior citizens' exemptions are offered to those who qualify.

The estimated total annual property tax bill of a $200,000 market value residential property located in the City is approximately $5,164 including County, City, Library and School District taxes.

The City assessment roll, based on the number of parcels, is as follows: 82% residential and 18% commercial.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the City (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the City and the Notes include the following:

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is authorized and utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The City is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. The City has the power to contract indebtedness for any City purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real estate of the City and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the City is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the City to borrow and incur indebtedness by the enactment of the Local Finance Law subject, of course, to the provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the General City Law, the City Charter and the General Municipal Law.

Pursuant to the Local Finance Law and the City Charter, the City authorizes the issuance of bonds by the adoption of a bond ordinance approved by at least two-thirds of the members of the Common Council, subject to the approval of the Board of Estimate and Apportionment, the finance board of the City. Customarily, the Common Council has delegated to the City Treasurer, as chief fiscal officer of the City, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the Notes authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

(1) Such obligations are authorized for a purpose for which the City is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations

and an action contesting such validity, is commenced within twenty days after the date of such publication, or

(3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the City complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond ordinance usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto. The City has authorized bonds for a variety of City objects or purposes.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the issuance of the first of such bond anticipation notes and, subject to certain exceptions, provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein).

In general, the Local Finance Law contains provisions providing the City with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget and capital notes.

Debt Outstanding End of Fiscal Year

Fiscal Years Ending December 31:	2021	2022	2023	2024	2025
Bonds	$ 58,250,000	$ 99,945,000	$ 87,365,000	$ 76,685,000	$ 65,610,000
Bond Anticipation Notes	59,304,275	16,840,944	13,660,944	49,822,372	121,245,677
Totals	$ 117,554,275	$ 116,785,944	$ 101,025,944	$ 126,507,372	$ 186,855,677

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the City evidenced by serial bonds and bond anticipation notes as of November 3, 2026:

Type of Indebtedness	Maturity	Amount
Bonds	2027-2034	$ 55,705,000
Bond Anticipation Notes		
Various Capital Improvements	March 19, 2027	$ 142,939,263
	Total Indebtedness	$ 198,644,263

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of November 3, 2026:

Five-Year Average Full Valuation of Taxable Real Property			$ 6,713,208,519
Debt Limit - 7% thereof			469,924,596
Inclusions:			
Bonds	$ 55,705,000		
Bond Anticipation Notes	142,939,263		
Total Inclusions		$ 198,644,263	
Exclusions:			
Appropriations - Bonds	$ 0		
Appropriations – Notes	0		
Total Exclusions		$ 0	
Total Net Indebtedness Subject to Debt Limit			$ 198,644,263
Net Debt-Contracting Margin			$ 271,280,333
Percent of Debt Contracting Power Exhausted			42.27%

Estimate of Obligations to be Issued

The City expects to have recurring financing needs for capital improvements. It can be anticipated that, depending on market conditions, the City may from time to time issue bond anticipation notes and bonds to finance its capital improvements.

Revenue and Tax Anticipation Notes

The proceeds of the Notes represents the first issuance of Revenue Anticipation Notes since 2016. The City may decide to issue Revenue Anticipation Notes again in the future if state aid revenues or sales tax revenues are delayed in any given fiscal year.

Bonded Debt Service

A schedule of bonded debt service may be found in “APPENDIX – B” to this Official Statement.

Authority Indebtedness

In accordance with GAAP, the financial statements of the City treat the Albany Municipal Water Finance Authority and the Albany Parking Authority as a part of the reporting entity due to the fact that the City exercises oversight responsibility for those entities. The City has entered into a Lease Agreement with the Parking Authority whereby the City leases parking spaces in a parking garage owned by the Authority. The Lease Agreement is the primary credit support for the Authority's $2,631,974 Parking Revenue Refunding Bonds, Series 1991A, issued in November 1991. However, the City is not liable for the indebtedness of either the Water Authority or the Parking Authority. Accordingly, the debt of these entities has not been included in the calculations of the City's constitutional debt limit.

Estimated Overlapping Indebtedness

In addition to the City, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the City. Bonded indebtedness, including bond anticipation notes, is estimated of the respective municipalities and is not adjusted to include subsequent bond issues, if any.

Municipality	Status of Debt as of	Gross Indebtedness [1]	City Share	Applicable Indebtedness
County of:				
Albany	12/31/2025	$ 196,490,000	18.82%	$ 36,979,418
School District:				
Albany	12/31/2025	186,855,681	100.00%	186,855,681
			Total:	$ 223,835,099

[1] Outstanding bonds and bond anticipation notes are as of the close of the respective fiscal years and are not adjusted to include subsequent bond or note sales, if any.

Note: Gross indebtedness sourced from local government data provided by the State Comptroller's office. Information regarding applicable exclusions, such as water debt, sewer debt, and budgeted appropriations for respective municipalities along with state building aid and state transportation aid for respective school districts is not currently available from source.

Debt Ratios

The following table sets forth certain ratios relating to the City's indebtedness.

Debt Ratios
As of November 3, 2026

	Amount Indebtedness	Per Capita [a]	Percentage of Full Valuation [b]
Net Indebtedness	$ 198,644,263	$1,960.62	2.57%
Net Indebtedness Plus Net Overlapping Indebtedness [c]	422,479,362	4,169.88	5.47

[a] The 2024 Census population of the City is 101,317.
[b] The City's 2026 full value of taxable real estate is $7,723,218,517.
[c] Estimated gross overlapping indebtedness is $223,835,099.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the City upon any judgment or accrued claim against it shall not exceed nine per centum per annum. In accordance with the general rule with respect to municipalities, judgments against the City may not be enforced by levy and execution against property owned by the City.

The Federal Bankruptcy Code allows public bodies recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the City.

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness."

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

MARKET AND RISK FACTORS

The financial and economic condition of the City as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the City's control. There can be no assurance that adverse events in the State and in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of other jurisdictions in the country to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

In addition, if the State should opt to borrow and experiences difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the City, in any year, the City may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the City. In recent years, the City has received delayed payments of State aid which resulted either from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts or delays in State payments until certain State revenues are realized. (See also "State Aid").

Cybersecurity. The City, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the City faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the City invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage City digital networks and systems and the costs of remedying any such damage could be substantial. The City was victim to a ransomware attack in March of 2019. Ransom was not paid and the City was primarily back online within 2 days. A few of the City's systems had to be rebuilt due to the ransomware attack.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the City will enter into an Undertaking to provide Material Event Notices with respect to the Notes, the descriptions of which is attached hereto as "APPENDIX – D".

Historical Compliance

Except as noted below, the City is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

The City did not file its audited financial statements for the fiscal year end 2020 as required by the end of the subsequent fiscal year. The audited financial statements for the 2020 fiscal year were dated as of December 15, 2021 and were filled to EMMA on March 2, 2022. A failure to file and failure to provide notice of such material event was filed on March 2, 2022. The City did not file its audited financial statements for the fiscal year end 2021 as required by the end of the subsequent fiscal year. The audited financial statements for the 2021 fiscal year were dated as of September 29, 2022 and were filled to EMMA on February 22, 2023. A failure to file and failure to provide notice of such material event was filed on February 22, 2023. The City did not file its audited financial statements for the fiscal year end 2023 as required by the end of the subsequent fiscal year. The audited financial statements for the 2023 fiscal year were dated as of September 27, 2024 and were filled to EMMA on February 26, 2025. A failure to file and failure to provide notice of such material event was filed on February 26, 2025.

TAX MATTERS

In the opinion of Roemer Wallens Gold & Mineaux LLP, Bond Counsel, under existing law, regulations, administrative rulings and judicial decisions, (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an "item of tax preference" for purposes of the federal alternative minimum tax imposed on individuals and corporations although Section 56 of the Code provides that for purposes of calculating the alternative minimum tax on corporations as defined for federal income tax purposes, interest on the Bonds is taken into account in determining adjusted current earnings, and (ii) interest on the Bonds and Notes is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds and Notes. Bond Counsel is of the further opinion that interest on the bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes but Bond Counsel notes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the City to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds and Notes are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations in order for the interest to be and to continue to be so excluded from the date of issuance. Noncompliance with these requirements by the City may cause the interest on the Bonds and Notes to be included in gross income for federal income tax purposes and thus to be subject to federal income tax retroactively to the date of issuance of the Bonds and Notes. The City has covenanted to take the actions required of it for the interest on the Bonds and Notes to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion.

Although Bond Counsel will opine that interest on the Bonds and Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the accrual or receipt of interest on, the Bonds and Notes may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other income or deductions. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislations, interpretations or rulings relating to the Code or judicial decisions may cause interest on the Bonds and Notes to be subject directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds and Notes. Any such legislation, interpretations or rulings relating to the Code or judicial decisions may also affect the market price for, or marketability of, the Bonds and Notes. Prospective purchasers of the Bonds and Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

ALL PROSPECTIVE PURCHASERS OF THE BONDS AND NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO OTHER FEDERAL AND STATE TAX CONSEQUENCES, AS WELL AS ANY LOCAL TAX CONSEQUENCES, OF PURCHASING OR HOLDING THE BONDS AND NOTES.

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Legal Matters

Legal matters incident to the authorization, issuance, and sale of the Notes will be subject to the final approving opinion of Roemer Wallens Gold & Mineaux LLP, Albany, New York, Bond Counsel to the City. Such opinion will be available at the time of delivery of and payment for the Notes and will be to the effect that the Notes are valid and legally binding general obligations of the City, for the payment of which the City has validly pledged its full faith and credit, and all the real property within the City subject to taxation by the City is subject to the levy by the City of ad valorem taxes, subject to statutory limitation (see "Tax Levy Limitation Law", herein) for payment of the principal of and interest on the Notes.

Said opinion will also contain further statements to the effect that assuming continuing compliance with certain covenants and the accuracy of certain representations of the City contained in the records of proceedings relating to the authorization and issuance of the Notes, (a) interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations pursuant to Section 56 of the Code for purposes of calculating the alternative minimum tax on corporations as defined for federal income tax purposes, interest on the Notes is taken into account in determining adjusted current earnings; and (b) interest on the Notes is exempt from personal income taxes imposed by the State and political subdivisions thereof, including The City of New York. The interest on the Notes may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. Said opinion will also state that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York). No opinion will be rendered by Bond Counsel regarding Federal tax consequences with respect to the Notes. The enforceability of the Notes is subject to bankruptcy laws and other laws affecting creditors' rights and the exercise of judicial discretion.

ABSENCE OF LITIGATION

The City is subject to a number of lawsuits in the ordinary conduct of its affairs. The City does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the City.

Upon delivery of the Notes, the City shall furnish a certificate of the City Corporation Counsel, dated the date of delivery and payment for the Notes, to the effect that there is no controversy or litigation of any nature pending or threatened to her knowledge to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the City wherein an adverse judgment or ruling could adversely affect the power of the City to levy, collect and enforce the collection of taxes or other revenues for the payment of its Notes, which has not been disclosed in this Official Statement.

RATING

The Notes are not rated. Subject to the approval of the City, the purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the City, as such rating action will result in a material event notification to be posted to EMMA which is required by the City.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned their underlying rating of "A" with a negative outlook to the City's outstanding serial bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such rating should be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the Bonds and Notes.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the City on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the City and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the City or the information set forth in this Official Statement or any other information available to the City with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the City to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the City provided, however; the City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the City management's beliefs as well as assumptions made by, and information currently available to, the City's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the City's files with the repositories. When used in City documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

Roemer Wallens Gold & Mineaux LLP, Albany, New York, Bond Counsel to the City, expressed no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the City for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the City will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the City.

The Official Statement is submitted only in connection with the sale of the Notes by the City and may not be reproduced or used in whole or in part for any other purpose.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the City nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the City disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the City also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The City will act as Paying Agent for the Notes.

The City's contact information is as follows: Mr. Nick Riley, Chief Accountant, City of Albany, 24 Eagle Street, Albany, New York 12207, Phone: (518) 434-5035, Telefax: (518) 434-5098, Email: nriley@albanyny.gov.

This Official Statement has been duly executed and delivered by the City Treasurer of the City of Albany.

CITY OF ALBANY

Dated: November 5, 2026

Honorable Darius Shahinfar
City Treasurer
and Chief Fiscal Officer

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	2021	2022	2023	2024	2025
ASSETS					
Cash on Hand	$ 50,939,023	$ 59,669,932	$ 19,811,414	$ 13,307,617	$ 4,192,682
Investments	2,687,485	2,861,798	3,577,491	3,672,956	2,662,096
Receivables:					
Taxes - net	4,597,618	4,896,001	5,262,041	5,426,258	4,806,985
Landfill, net	278,857	210,944	258,432	233,980	-
Accounts Receivable	5,309,249	4,063,533	5,537,452	6,029,774	6,859,483
Notes Receivable	650,000	625,000	600,000	575,000	550,000
Other - net	-	349,717	445,548	384,122	320,932
State and Federal	730,830	1,197,568	3,653,401	1,572,704	1,351,191
Due from Other Funds	5,032,407	4,080,733	14,781,018	17,389,173	5,493,915
Due From Other Governments	12,337,317	13,546,117	13,153,891	13,594,935	14,293,053
Prepaid Expenses	-	-	-	-	112,610
Due from Component Units	12,666,514	15,955,950	21,265,915	21,602,151	904,716
Other Assets	2,880,637	3,891,040	4,114,888	21,621	16,016
TOTAL ASSETS	$ 98,109,937	$ 111,348,333	$ 92,461,491	$ 83,810,291	$ 41,563,679
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 24,270,325	$ 10,250,130	$ 12,017,447	$ 26,797,470	$ 7,108,232
Accrued Liabilities	-	-	-	-	3,816,998
Due to Component Units	10,251,374	13,333,260	17,282,795	20,690,024	969,366
Notes Payable (RAN's)	-	-	-	-	-
Other Liabilities	22,974,761	49,120,157	22,368,206	364,536	-
Due to Other Funds	-	-	130	130	335,000
Due to Other Governments	22,043,193	20,321,503	22,182,441	20,228,656	19,695,335
Due to Retirement System	-	-	-	-	16,933,864
Deferred Revenue	692,116	688,922	362,035	189,743	93,850
Accrued Interest on CABs	-	-	-	-	-
TOTAL LIABILITIES	80,231,769	93,713,972	74,213,054	68,270,559	48,952,645
Deferred inflows of resources	650,000	968,659	1,039,491	946,722	849,624
Total Liabilities plus Deferred inflows of resources	$ 80,881,769	$ 94,682,631	$ 75,252,545	$ 69,217,281	$ 49,802,269
FUND EQUITY					
Nonspendable Prepayments:	$ 2,864,621	$ 3,610,911	$ 4,098,873	$ -	$ 133,918
Restricted for:					
Debt Service	1,621,359	1,889,373	2,557,491	2,742,147	-
Landfill Postclosure	931,865	933,218	940,570	953,038	-
Reserve for Solid Waste Mgmt. Facility	434,703	434,704	434,703	434,703	-
PEG Access Fund	173,897	120,970	120,970	120,970	-
Other Restricted Fund Balance	1,647,796	2,204,287	2,177,875	2,177,875	2,662,096
Assigned for:					
Fund Appropriations	-	145,000	-	-	-
Unassigned:	9,553,928	7,327,239	6,878,464	8,164,277	(11,034,604)
TOTAL FUND EQUITY	17,228,168	16,665,702	17,208,946	14,593,010	(8,238,590)
TOTAL LIABILITIES and FUND EQUITY	$ 98,109,937	$ 111,348,333	$ 92,461,491	$ 83,810,291	$ 41,563,679

Source: Audited financial reports of the City.
This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	2021	2022	2023	2024	2025
REVENUES					
Real Property Taxes	$ 59,178,211	$ 59,597,300	$ 60,452,499	$ 61,667,390	$ 62,261,752
Real Property Tax Items	-	-	-	-	21,209,798
Sales and Use Tax	40,514,371	44,862,476	45,261,939	46,685,814	47,299,355
Other Taxes	3,047,783	2,896,391	3,533,425	3,020,251	-
Payments in Lieu of Taxes	19,377,932	19,646,194	19,629,395	19,083,064	-
Departmental Income	-	-	-	-	11,028,711
Intergovernmental Charges	-	-	-	-	-
Intergovernmental Revenues	54,402,824	49,309,941	61,902,888	57,617,972	-
Charges for Services	7,907,146	8,437,965	8,889,238	10,456,052	-
Fines, interest and penalities	5,392,600	5,073,552	5,812,128	5,680,755	9,661,121
Uses of money and properties	108,688	1,462,567	3,582,823	2,774,776	2,393,509
License and permits	4,641,522	4,333,198	5,263,348	5,258,909	6,321,933
Sale of Property and Compensation for Loss	-	-	-	-	-
Interfund Revenues	-	-	-		
State Aid	-	-	-	-	38,342,858
Federal Aid	-	-	-	-	1,496,609
Miscellaneous	2,402,820	2,616,947	2,678,152	2,436,504	5,795,442
Total Revenues	$ 196,973,897	$ 198,236,531	$ 217,005,835	$ 214,681,487	$ 205,811,088
EXPENDITURES					
Public Safety and Regulation	$ 113,077,369	$ 109,462,403	$ 114,495,361	$ 117,059,305	$ 88,795,617
General Government	29,993,107	32,467,745	42,109,268	41,702,750	52,679,182
Health	-	-	-	-	224,325
Highway and Streets	6,207,640	7,944,386	7,652,716	7,673,137	1,428,950
Recreation and Culture	4,126,933	4,477,254	4,578,926	5,118,060	5,104,665
Community Service	7,630,326	7,999,891	8,508,073	8,589,745	1,399,695
Economic development and assistance	-	75,742	1,888,193	1,926,658	2,622,541
Employee Benefits	17,414,162	16,776,278	18,181,902	18,515,846	62,413,872
Debt Service	14,917,315	13,005,754	18,136,853	15,116,343	16,624,638
Total Expenditures	$ 193,366,852	$ 192,209,453	$ 215,551,292	$ 215,701,844	$ 231,293,485
Excess of Revenues Over (Under) Expenditures	3,607,045	6,027,078	1,454,543	(1,020,357)	(25,482,397)
Other Financing Sources (Uses):					
Operating Transfers In	788	242,685	2,029,781	653,294	4,095,176
Operating Transfers to Other Funds	(4,789,455)	(7,422,043)	(4,040,000)	(2,555,000)	(3,160,001)
Proceeds from sale of property	-	-	-	-	-
Proceeds from general obligation bonds/notes	1,636,205	589,814	112,556	306,127	-
Proceeds from other debt	-	-	986,364	-	-
Other sources	-	-	-	-	1,715,622
Total Other Financing	(3,152,462)	(6,589,544)	(911,299)	(1,595,579)	2,650,797
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	454,583	(562,466)	543,244	(2,615,936)	(22,831,600)
FUND BALANCE					
Fund Balance - Beginning of Year	16,773,585	17,228,168	16,665,702	17,208,946	14,593,010
Residual Equity Transfers	-	-			-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 17,228,168	$ 16,665,702	$ 17,208,946	$ 14,593,010	$ (8,238,590)

Source: Audited financial reports of the City.
This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget

Fiscal Years Ending December 31:	2022 Adopted Budget	2023 Adopted Budget	2024 Adopted Budget	2025 Adopted Budget	2026 Adopted Budget
REVENUES					
Real Property Taxes & Items	$ 59,550,000	$ 60,547,750	$ 61,497,000	$ 62,731,000	$ 64,305,000
Sales & Use Tax	38,424,902	46,951,000	48,629,000	49,948,000	50,358,000
Other Taxes	2,790,800	3,491,100	3,230,000	4,101,000	3,826,000
Payments in Lieu of Taxes	19,375,827	19,673,827	21,322,000	19,393,000	19,000,000
Interest and Penalty on Taxes	350,000	375,000	-	375,000	425,000
Intergovernmental Revenues	1,278,000	1,278,000	-	2,219,400	2,844,400
Charges for Services	13,486,880	14,543,080	17,867,700	11,016,500	13,412,400
Traffic Violation Fines	5,360,000	6,027,000	-	11,942,000	10,542,000
Interest and Rental Income	109,680	587,180	-	755,000	755,000
Miscellaneous	10,824,498	11,587,032	11,778,943	11,862,076	12,213,076
State Aid	29,856,657	31,117,657	32,480,268	39,242,862	42,030,862
Federal Aid	8,757,330	18,772,330	27,022,000	4,751,000	4,121,171
Interfund Revenues	491,701	2,621,755	2,184,000	2,920,127	4,576,000
Total Revenues	$ 190,656,275	$ 217,572,711	$ 226,010,911	$ 221,256,965	$ 228,408,909
EXPENDITURES					
Public Safety and Regulation	$ 103,461,085	$ 108,971,966	$ 114,483,607	$ 116,644,717	$ 119,614,395
General Government	23,639,048	35,094,649	63,801,653	41,917,385	42,106,253
Highway and Streets	14,592,687	15,798,541	1,155,000	7,413,408	7,522,171
Economic Assistance	-	-	4,231,238	4,742,853	3,737,494
Health	-	-	302,242	-	321,919
Recreation and Culture	4,084,531	3,623,808	5,115,777	5,413,166	5,904,364
Community Service	15,207,256	15,907,495	1,076,270	9,121,520	9,879,313
Employee Benefits	11,233,106	16,467,260	18,535,000	17,082,370	17,863,000
Miscellaneous	-	-	-	-	-
Debt Service	17,232,932	20,418,992	15,540,124	16,986,546	21,135,000
Interfund Transfer	1,205,630	1,435,000	1,770,000	1,935,000	325,000
Total Expenditures	$ 190,656,275	$ 217,717,711	$ 226,010,911	$ 221,256,965	$ 228,408,909
Excess of Revenues Over (Under) Expenditures	-	(145,000)	-	-	-
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	-
Operating Transfers to Other Funds	-	-	-	-	-
Operating Transfers to Component Unit	-	-	-	-	-
Appropriated Fund Balance	-	145,000	-	-	-
Proceeds from Obligation	-	-	-	-	-
Other Financing Source	-	-	-	-	-
Total Other Financing	-	145,000	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	-	-	-
FUND BALANCE					
Fund Balance - Beginning of Year					
Residual Equity Transfers	-	-	-	-	-
Elimination of Encumbrances	-	-	-	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -	$ -

Source: Budgets of the City. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2026	$ 9,905,000.00	$ 2,261,325.00	$ 12,166,325.00
2027	10,300,000	1,874,350.00	12,174,350.00
2028	10,650,000	1,547,550.00	12,197,550.00
2029	7,190,000	1,134,550.00	8,324,550.00
2030	7,465,000	860,350.00	8,325,350.00
2031	7,750,000	572,575.00	8,322,575.00
2032	8,050,000	276,750.00	8,326,750.00
2033	2,115,000	97,275.00	2,212,275.00
2034	2,185,000	32,775.00	2,217,775.00
TOTALS	$ 65,610,000	$ 8,657,500.00	$ 74,267,500.00

CITY OF ALBANY, NEW YORK **Appendix C**

GENERAL FUND - MONTHLY CASH FLOW

June 2026 through February 2027 | Dollars

Month	**Jun-26**	**Jul-26**	**Aug-26**	**Sep-26**	**Oct-26**	**Nov-26**	**Dec-26**	**Dec-26**	**Jan-27**	**Feb-27**
							Days 1–15	**Days 16–31**		
Basis	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**
Opening cash	**21,920,611**	**20,236,631**	**14,874,635**	**20,777,863**	**8,540,416**	**15,800,190**	**15,610,876**	**6,512,991**	**11,684,007**	**45,090,138**
Property taxes	594,418	1,319,714	582,385	294,141	335,190	292,407	122,646	183,969	41,477,441	49,461,654
Sales tax	-	12,804,903	-	-	13,004,316	-	-	-	12,750,000	-
State aid	20,000,000	-	24,392,117	1,096,586	-	-	-	11,511,237	-	-
Water reimbursements	2,061,882	2,233,667	2,457,992	3,807,110	7,964,327	4,278,326	2,019,619	3,412,901	4,594,177	1,310,837
Youth reimbursements	69,327	565,884	623,251	205,932	678,617	462,525	-	227,850	100,647	145,655
Capital reimbursements	608,866	215,614	1,664,311	4,229,942	3,297,322	4,700,000	100,000	1,500,000	6,864,994	3,409,173
Use of Debt Service	-	-	-	-	650,000	95,000	95,000	95,000	70,000	66,510
Other operating collections	5,277,810	4,568,747	2,812,712	4,009,950	3,968,575	2,486,854	3,067,354	4,586,292	4,546,225	2,620,616
General Fund interest	44,268	29,932	42,366	26,096	11,948	5,000	5,000	5,000	6,071	11,948
Borrowing proceeds	-	-	-	-	-	10,000,000	-	-	-	-
Proposed additional sales tax	-	-	-	-	-	-	-	-	-	-
Net cash receipts	**28,656,572**	**21,738,462**	**32,575,135**	**13,669,757**	**29,910,296**	**22,320,112**	**5,409,619**	**21,522,249**	**70,409,556**	**57,026,393**
Payroll	(9,706,617)	(13,649,109)	(10,521,260)	(12,205,235)	(9,410,836)	(9,619,946)	(7,483,168)	(6,977,150)	(9,928,993)	(9,642,660)
Benefits	(3,797,965)	(2,654,126)	(3,450,249)	(2,422,174)	(3,422,115)	(2,807,770)	(1,945,981)	(1,671,951)	(3,140,156)	(4,071,321)
AP and other payments	(13,132,562)	(10,554,010)	(12,693,678)	(10,619,143)	(9,809,277)	(10,075,000)	(5,075,000)	(7,550,000)	(21,953,645)	(17,869,342)
Retirement	(6,710)	(8,387)	(6,721)	(6,751)	(8,294)	(6,710)	(3,355)	(5,032)	(5,806)	(24,163,701)
Debt service	(3,696,700)	(234,825)	-	(653,900)	-	-	-	(147,100)	(1,974,825)	-
RAN repayment	-	-	-	-	-	-	-	-	-	10,150,000
Net cash payments	**(30,340,553)**	**(27,100,457)**	**(26,671,907)**	**(25,907,204)**	**(22,650,522)**	**(22,509,426)**	**(14,507,504)**	**(16,351,233)**	**(37,003,424)**	**(45,597,024)**
Net cash movement	**(1,683,981)**	**(5,361,996)**	**5,903,228**	**(12,237,447)**	**7,259,773**	**(189,314)**	**(9,097,885)**	**5,171,016**	**33,406,131**	**11,429,369**
Closing cash	**20,236,631**	**14,874,635**	**20,777,863**	**8,540,416**	**15,800,190**	**15,610,876**	**6,512,991**	**11,684,007**	**45,090,138**	**56,519,507**

Note: Largest deficit occurs December 15, 2026 in the amount of ($3,487,009).

APPENDIX - D

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, the City has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Note is outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes

(g) modifications to rights of Note holders, if material

(h) note calls, if material and tender offers

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the Notes

(k) rating changes

(l) bankruptcy, insolvency, receivership or similar event of the City

(m) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material

(o) incurrence of a financial obligation (as defined in the Rule) of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect Note holders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the City does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all

of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The City may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the City determines that any such other event is material with respect to the Notes; but the City does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The City reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the City no longer remains an obligated person with respect to the Note within the meaning of the Rule. The Issuer acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the City’s obligations under its material event notices undertaking and any failure by the City to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Note to recover monetary damages.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

CITY OF ALBANY

ALBANY COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

DECEMBER 31, 2025

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

CITY OF ALBANY, NEW YORK

Basic Financial Statements
Supplementary Information and
Independent Auditors' Report

December 31, 2025

CITY OF ALBANY, NEW YORK

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CITY OF ALBANY, NEW YORK

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EFPR GROUP CPAs PLLC
Certified Public Accountants

6390 Main Street, Suite 200
Williamsville, New York 14221

P 716.634.0700
TF 800.546.7556
W EFPRadvisory.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Administration
City of Albany, New York:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remining fund information of the City of Albany, New York (the City), as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remining fund information of the City, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Albany Parking Authority, the City of Albany Industrial Development Agency, the Albany Port District Commission, the City of Albany Capital Resource Corporation, the Lark Street Area District Management Association, Inc., the Central District Management Association, Inc., or the Downtown Albany Restoration Program, Inc., which represent 43%, 56% and 44% of the assets, net position, and revenue, respectively, of the aggregate discretely presented component units. We did not audit the financial statements of the Albany Community Development Agency which represent 15%, 1% and 4% of the assets, fund balance, and revenue of the governmental funds. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those aggregate discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

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. The financial statements of the Central District Management Association, Inc. and the Downtown Albany Restoration Program, Inc. were not audited in accordance with Government Auditing Standards. 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.

Emphasis of Matter

As discussed in notes 18 and 19 to the financial statements, restatements of prior year financial statements and a change in the financial reporting entity were made during the year ended December 31, 2025. Our opinions are not modified with respect to this matter.

As discussed in note 1(c) to the financial statements, certain discretely presented component units are presented as of and for the year ended December 31, 2024. Additionally, one of the discretely presented component units is excluded from these financial statements. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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 auditors' 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 and Government Auditing Standards 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 Government Auditing Standards, 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 analysis and the additional information on pages 53 through 59 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying other supplementary information on pages 60 and 61 and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 2026, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 City's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 25, 2026

CITY OF ALBANY, NEW YORK

Management's Discussion and Analysis

December 31, 2025

As management of the City of Albany, New York (the City), this narrative is an overview and analysis of the financial activities of the City for the year ended December 31, 2025. This is presented here in conjunction with additional information that the City has furnished in the financial statements that follows this narrative.

Financial Highlights

- The liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of 2025 by $435,195,507; a decrease of $37,176,570 from 2024.
- At the close of the current year, the City's funds reported a total ending deficit fund balance of $114,790,187, a decrease of $89,073,279 from the previous year.
- At the end of the current year, the unassigned fund balance for the General Fund was a deficit of $11,034,604.
- At the end of the current year, the General Fund, the Special Revenue Fund, and the Capital Projects Fund all have fund balance deficits.
- The City issue new subscription-based information technology arrangements (SBITAs) of $1,715,622.
- The City made corrections of errors to certain December 31, 2024 balances related to the accounting for pensions.

Overview of the Financial Statements

The City's basic financial statements consist of three components; 1) government-wide financial statements 2) fund financial statements and 3) notes to financial statements. The basic financial statements present two different views of the City's fiscal positions through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplementary information that will enhance the understanding of the financial condition of the City.

Basic Financial Statements

The first two statements in the basic financial statements are the government-wide financial statements. They provide both short and long-term information about the City's financial status. The next statements are fund financial statements. These statements focus on the activities of the individual parts of the City's government.

The next section of the basic financial statements are the notes. The notes to financial statements help explain the information contained in the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole. The two government-wide statements report the City's net position and how it has changed from the previous year. Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Measuring net position is one way to gauge the financial condition of the City.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The City uses fund accounting to ensure and reflect compliance with finance related legal requirements such as general statutes or laws. All funds of the City can be divided into two categories: governmental funds or fiduciary funds.

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using the modified accrual method of accounting that provides a short-term spending focus. As a result, the governmental fund financial statements give a detailed short-term view that helps determine if there are more or less financial resources available to finance the City's programs. The relationship between governmental activities reported in the government-wide financial statements and the fund financial statements is described in two reconciliations that are part of the basic financial statements.

The City adopts an annual budget for its General Fund and the Special Revenue Fund. The budget is a legally adopted document that incorporates input from the citizens, the management of the City and the decisions of the City Common Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary schedules provided for the General Fund and the Special Revenue Fund that follows the notes to the financial statements demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedules uses the budgetary basis of accounting in the same format and classifications as the legal budget document.

The statement shows four columns: 1) the original budget as adopted by the City Common Council; 2) the final budget as amended by the City Common Council; 3) the actual revenue and expenditures; and 4) the difference between the final budget and the actual revenue and expenditures.

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found immediately following the fund financial statements.

Government-wide Financial Analysis

Below are comparative statements of net position for the City as of December 31, 2025 and 2024.

Statements of Net Position

	2025	2024*
Current and other assets	$ 81,253,684	124,913,184
Capital assets, net	319,532,752	283,931,486
Total assets	400,786,436	408,844,670
Deferred outflows of resources	96,011,000	120,826,076
Total assets and deferred outflows of resources	$ 496,797,436	529,670,746
Current liabilities	211,609,232	151,828,382
Long-term liabilities	556,294,751	552,380,787
Total liabilities	767,903,983	704,209,169
Deferred inflows of resources	164,088,960	223,480,514
Net position:		
Net investment in capital assets	112,754,823	202,569,087
Restricted	2,662,096	6,428,733
Unrestricted (deficit)	(550,612,426)	(607,016,757)
Total net position (deficit)	(435,195,507)	(398,018,937)
Total liabilities, deferred inflows of resources and net position	$ 496,797,436	529,670,746

* Restated for corrections of errors.

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The liabilities and deferred inflows of resources of the City exceeded assets and deferred outflows of resources by $435,195,507 as of December 31, 2025. The City's net position decreased by $37,176,570 for the year ended December 31, 2025. The largest portion of net position reflects the City's net investment in capital assets (e.g. land, buildings, machinery and equipment); less any related debt still outstanding that was issued to acquire those items. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of the outstanding debt, the resources needed to repay that debt must be provided by other sources since the capital assets cannot be used to liquidate these liabilities.

Several aspects of the City's financial operations that positively influenced the total unrestricted governmental net position are:

- Sales tax revenue continues to remain steady.
- Continued low cost of debt due to the current interest rate structure.
- Review by the City Common Council of all expenditures to control unnecessary spending, including financial analysis of the City funds.

Below are comparative statements of activities for the City's years ended December 31, 2025 and 2024.

Statements of Activities

	2025	2024*
Revenue:		
General revenue:		
Real property taxes	$ 62,261,752	61,667,390
Other tax items	68,509,153	68,789,129
Other	8,592,862	41,583,635
Total general revenue	139,363,767	172,040,154
Program revenue:		
Charges for services	27,011,765	25,281,134
Operating grants and contributions	51,883,154	29,016,898
Capital grants and contributions	20,089,871	25,156,287
Total program revenue	98,984,790	79,454,319
Total revenue	238,348,557	251,494,473
Expenses:		
General government support	83,286,042	55,206,962
Public safety	121,642,875	124,644,856
Health	306,547	-
Transportation	27,256,858	16,523,510
Economic assistance and opportunity	8,092,015	6,448,450
Culture and recreation	7,300,430	5,854,118
Home and community services	20,843,806	21,518,675
Interest	6,796,554	3,635,551
Total expenses	275,525,127	233,832,122
Change in net position	(37,176,570)	17,662,351
Net position (deficit) at beginning of year	(398,018,937)	(417,908,279)
Net position (deficit) at end of year	$ (435,195,507)	(400,245,928)

* 2024 balances are not restated as it is not practical to do so.

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

Governmental funds focus is to provide information on near term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City's financing requirements in the upcoming years. Specifically, unassigned fund balance can be useful measure of a government's net resources available for spending at the end of the year.

As of December 31, 2025, the General Fund's balance was a deficit of $8,238,590 which is a decrease in fund balance of $22,831,600. The Special Revenue Fund's fund balance was a deficit of $900,762 which is a decrease in fund balance of $11,460. The Capital Project Fund's fund balance was a deficit of $106,315,911 which is a decrease in fund balance of $66,042,156. The Albany Community Development Agency's fund balance was $665,076, which is a decrease in fund balance of $188,063.

Capital Assets and Debt Administration

The City's net investment in capital assets for its governmental activities as of December 31, 2025 total $319,532,752. These assets include buildings, roads, land, machinery and equipment, infrastructure and vehicles.

Capital Assets

	2025	2024
Land	$ 1,860,528	1,860,528
Construction-in-progress	74,603,732	25,296,213
Buildings	62,947,368	62,531,792
Machinery and equipment	118,112,052	112,331,537
Infrastructure	514,952,606	514,772,870
Right-to-use leases	921,652	921,652
Right-to-use SBITAs	2,408,957	693,335
Accumulated depreciation/amortization	(456,274,143)	(434,476,441)
Total capital assets, net	$ 319,532,752	283,931,486

Debt Administration

As of December 31, 2025 the City had total bonded debt outstanding of $65,610,000, a decrease of $11,075,000 in debt when compared to the end of 2024 of $76,685,000. Additionally, as of December 31, 2025, the City had $220,452 and $1,715,622 of leases and SBITAs payable, respectively. The City is scheduled to pay $10,408,620 in principal in 2026 on this debt.

Economic Factors and Next Year's Budget and Rates

Budget highlights for the year ended December 31, 2025:

- Actual revenue in the General Fund was $15,506,052 less than budgeted mainly due to real property tax items, nonproperty tax items, fines and forfeitures, and Federal aid.
- Actual expenditures in the General Fund was $2,297,432 more than budgeted mainly due to general government support.

While the City has demonstrated resilience, several recent developments have presented financial challenges that may impact its outlook in the near and long-term future.

In recent years, the City has faced persistent budget shortfalls. The City has relied on the use of fund balance resources and one-time revenues to close these gaps, raising concerns over the sustainability of operations without new recurring revenue sources or cost reductions.

The City remains heavily dependent on New York State (the State) aid, constituting a significant portion of annual revenue. There has been increased risk following recent state budget negotiations and reports of possible reductions or delays in State funding. Any substantial reduction could exacerbate fiscal pressures. The State has committed an additional $20 million to the City in 2026.

Rising costs related to employee pensions and health benefits continue to outpace revenue growth. Recent actuarial reports have highlighted unfunded liability concerns.

Standard and Poors Global Ratings downgraded the City's long-term rating to A from AA on general obligation debt outstanding on July 15, 2026. Citing concerns over budgetary imbalance, reliance on non-recurring revenue, and growing long-term liabilities. If unaddressed, this could increase borrowing costs for future capital projects.

For the year ending December 31, 2026, the City adopted a budget for the General Fund that includes expenditures of $228,408,909 which is an increase from the prior year of 3.0%. Included in that budget is a real property tax levy of $64,555,000 which is an increase of 2.5%.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information should be directed to the Treasurer, City of Albany, City Hall Room 109, 24 Eagle Street, Albany, NY 12207. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

CITY OF ALBANY, NEW YORK
Statement of Net Position
December 31, 2025

	Primary Government Governmental Activities	Component Units
Current assets:		
Cash and equivalents - unrestricted	$ 25,215,095	33,015,697
Cash and equivalents - restricted	2,662,096	10,793,195
Investments	-	15,952,466
Taxes receivable	4,806,985	-
Accounts receivable, net	6,859,483	10,422,982
Grants receivable	-	298,617
Notes receivable	550,000	30,084
Mortgage loans receivable, net	11,280,326	131,970
Lease receivable, current portion	64,512	3,539,421
Due from primary government	-	1,261,315
Due from component units	904,716	-
Due from state and federal	14,112,867	-
Due from other governments	14,335,397	2,322,217
Prepaid expenses	112,610	1,161,467
Other assets	93,177	480,936
Total current assets	80,997,264	79,410,367
Noncurrent assets:		
Capital assets, net	319,532,752	257,208,808
Lease receivable, noncurrent portion	256,420	13,214,111
Total noncurrent assets	319,789,172	270,422,919
Total assets	400,786,436	349,833,286
Deferred outflows of resources:		
Refunding of debt	-	34,803
ERS	13,800,746	1,409,052
PFRS	58,819,984	-
OPEB	23,390,270	2,192,438
Total deferred outflows of resources	96,011,000	3,636,293
Current liabilities:		
Accounts payable	21,239,483	8,785,760
Accrued expenses	3,829,349	3,732,277
Accrued interest	4,087,577	551,815
Due to retirement system	16,933,864	-
Due to other governments	19,695,335	4,632,825
Line of credit	-	2,102,206
Bond anticipation notes payable	121,245,677	-
Due to component units	969,366	-
Due to primary governments	-	904,716
Unearned revenue	11,281,173	215,407
Bonds payable, including premiums, current portion	10,501,356	3,268,248
Due to NYS retirement system, current portion	1,322,432	-
Lease liabilities, current portion	182,505	304,944
SBITAs, current portion	321,115	-
Purchase finance agreements, current portion	-	242,914
Loans payable, current portion	-	41,142
Total current liabilities	211,609,232	24,782,254
Long-term liabilities:		
Bonds payable, including premiums, noncurrent portion	58,855,406	91,922,137
Due to NYS retirement system, noncurrent portion	9,106,392	-
Lease liabilities, noncurrent portion	37,947	1,824,953
SBITAs, noncurrent portion	1,394,507	-
Purchase finance agreements, noncurrent portion	-	49,975
Loans payable, noncurrent portion	-	1,597,774
Security deposits	-	109,641
Compensated absences	26,017,251	-
Judgments and claims	38,816,807	-
Landfill post-closure costs	12,275,420	-
Retainage payable on long-term contracts	1,683,297	-
Net pension liability - proportionate share - ERS	22,382,939	2,293,373
Net pension liability - proportionate share - PFRS	85,152,338	-
Total OPEB liability	300,572,447	9,700,691
Total long-term liabilities	556,294,751	107,498,544
Total liabilities	767,903,983	132,280,798
Deferred inflows of resources:		
Leases	299,624	15,859,360
ERS	1,193,639	165,620
PFRS	8,514,375	-
OPEB	154,081,322	6,116,535
Total deferred outflows of resources	164,088,960	22,141,515
Net position (deficit):		
Net invested in capital assets	112,754,823	159,261,539
Restricted	2,662,096	15,263,375
Unrestricted (deficit)	(550,612,426)	24,522,352
Total net position (deficit)	$ (435,195,507)	199,047,266

See accompanying notes to financial statements.

CITY OF ALBANY, NEW YORK
Statement of Activities
Year ended December 31, 2025

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Units
Primary government:						
General government support	$ 83,286,042	7,229,400	36,894,909	4,495,051	(34,666,682)	-
Public safety	121,642,875	2,334,794	2,885,950	442,759	(115,979,372)	-
Health	306,547	-	-	-	(306,547)	-
Transportation	27,256,858	11,925,754	14,666	15,152,061	(164,377)	-
Economic assistance and opportunity	8,092,015	-	2,033,162	-	(6,058,853)	-
Culture and recreation	7,300,430	5,521,817	254,904	-	(1,523,709)	-
Home and community services	20,843,806	-	9,799,563	-	(11,044,243)	-
Interest	6,796,554	-	-	-	(6,796,554)	-
Total governmental activities	275,525,127	27,011,765	51,883,154	20,089,871	(176,540,337)	-
Component Units:						
Albany Water Board and Albany Municipal Water Finance Authority	44,323,156	44,906,840	17,194,536	-	-	17,778,220
Albany Parking Authority	8,949,674	9,480,427	25,499	-	-	556,252
City of Albany Industrial Development Agency	1,078,797	2,475,651	-	-	-	1,396,854
Albany Port District Commission	9,331,518	6,941,383	24,013,188	-	-	21,623,053
City of Albany Capital Resource Corporation	81,212	1,249,525	-	-	-	1,168,313
Nonmajor component units	2,965,134	2,801,480	-	-	-	(163,654)
Total component units	66,729,491	67,855,306	41,233,223	-	-	42,359,038
Total primary government	$ 342,254,618	94,867,071	93,116,377	20,089,871	(176,540,337)	42,359,038
General revenue:						
Real property taxes					62,261,752	-
Real property tax items					21,209,798	-
Nonproperty tax items					47,299,355	-
Use of money and property					2,393,509	764,223
Miscellaneous					6,199,353	-
Total general revenue					139,363,767	764,223
Change in net position					(37,176,570)	43,123,261
Net position (deficit) at beginning of year, as previously stated					(400,245,928)	158,147,132
Correction of errors (note 18)					2,226,991	(4,647,967)
Change to the financial reporting entity (note 19)					-	2,424,840
Net position (deficit) at beginning of year, as restated					(398,018,937)	155,924,005
Net position (deficit) at end of year					$ (435,195,507)	199,047,266

See accompanying notes to financial statements.

CITY OF ALBANY, NEW YORK
Balance Sheet - Governmental Funds
December 31, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Albany Community Development Agency	Total Governmental Funds
Assets:					
Cash and equivalents - unrestricted	$ 4,192,682	47,913	20,409,907	564,593	25,215,095
Cash and equivalents - restricted	2,662,096	-	-	-	2,662,096
Taxes receivable	4,806,985	-	-	-	4,806,985
Accounts receivable, net	6,859,483	-	-	-	6,859,483
Notes receivable	550,000	-	-	-	550,000
Mortgage loans receivable, net	-	-	-	11,280,326	11,280,326
Lease receivable	320,932	-	-	-	320,932
Due from other funds	5,493,915	-	335,000	9,965	5,838,880
Due from component units	904,716	-	-	-	904,716
Due from State and Federal	1,351,191	261,573	11,013,138	1,486,965	14,112,867
Due from other governments	14,293,053	42,344	-	-	14,335,397
Prepaid expenditures	112,610	-	-	-	112,610
Other assets	16,016	-	-	77,161	93,177
Total assets	$ 41,563,679	351,830	31,758,045	13,419,010	87,092,564
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Accounts payable	7,108,232	185,000	12,556,119	1,390,132	21,239,483
Accrued expenditures	3,816,998	12,351	-	-	3,829,349
Due to retirement system	16,933,864	-	-	-	16,933,864
Due to other governments	19,695,335	-	-	-	19,695,335
Bond anticipation notes payable	-	-	121,245,677	-	121,245,677
Due to other funds	335,000	1,007,328	4,272,160	224,392	5,838,880
Due to component units	969,366	-	-	-	969,366
Unearned revenue	93,850	47,913	-	11,139,410	11,281,173
Total liabilities	48,952,645	1,252,592	138,073,956	12,753,934	201,033,127
Deferred inflows of resources:					
Unavailable revenue	550,000	-	-	-	550,000
Leases	299,624	-	-	-	299,624
Total deferred inflows of resources	849,624	-	-	-	849,624
Fund balances (deficit):					
Nonspendable	133,918	-	-	-	133,918
Restricted	2,662,096	-	-	-	2,662,096
Committed	-	-	-	107,025	107,025
Assigned	-	-	-	558,051	558,051
Unassigned (deficit)	(11,034,604)	(900,762)	(106,315,911)	-	(118,251,277)
Total fund balances (deficit)	(8,238,590)	(900,762)	(106,315,911)	665,076	(114,790,187)
Total liabilities and deferred inflows of resources and fund balances	$ 41,563,679	351,830	31,758,045	13,419,010	87,092,564

See accompanying notes to financial statements.

CITY OF ALBANY, NEW YORK
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
Year ended December 31, 2025

Net change in fund balances - total governmental funds		$ (114,790,187)
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported as assets in the governmental funds.		
Cost of capital assets	$ 775,806,895	
Accumulated depreciation/amortization	(456,274,143)	319,532,752
Other long-term assets that are not available to pay for current period expenditures are recognized as revenue on the statement of net position.		550,000
Long-term liabilities, including bonds payable, that are not due and payable in the current period are not reported as liabilities in the funds. Long-term liabilities not due and payable at year end consist of:		
Bonds payable, including premiums	(69,356,762)	
Accrued interest	(4,087,577)	
Due to NYS retirement system	(10,428,824)	
Lease liabilities	(220,452)	
SBITAs	(1,715,622)	
Compensated absences	(26,017,251)	
Judgments and claims	(38,816,807)	
Landfill post-closure costs	(12,275,420)	
Retainage payable on long-term contracts	(1,683,297)	
Net pension liability - proportionate share - ERS	(22,382,939)	
Net pension liability - proportionate share - PFRS	(85,152,338)	
Total OPEB liability	(300,572,447)	(572,709,736)
Differences between expected and actual experience, assumption changes, and contributions subsequent to the measurement dates are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net		
Deferred outflows of resources - ERS	13,800,746	
Deferred outflows of resources - PFRS	58,819,984	
Deferred outflows of resources - OPEB	23,390,270	
Deferred inflows of resources - ERS	(1,193,639)	
Deferred inflows of resources - PFRS	(8,514,375)	
Deferred inflows of resources - OPEB	(154,081,322)	(67,778,336)
Net position of governmental activities		$ (435,195,507)

See accompanying notes to financial statements.

CITY OF ALBANY, NEW YORK
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
Year ended December 31, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Albany Community Development Agency	Total Governmental Funds
Revenue:					
Real property taxes	$ 62,261,752	-	-	-	62,261,752
Real property tax items	21,209,798	-	-	-	21,209,798
Nonproperty tax items	47,299,355	-	-	-	47,299,355
Departmental income	11,028,711	-	-	-	11,028,711
Use of money and property	2,393,509	-	-	-	2,393,509
Licenses and permits	6,321,933	-	-	-	6,321,933
Fines and forfeitures	9,661,121	-	-	-	9,661,121
State aid	38,342,858	1,098,683	17,733,312	976,487	58,151,340
Federal aid	1,496,609	2,718,985	2,356,559	7,249,532	13,821,685
Miscellaneous	5,795,442	-	288,000	140,911	6,224,353
Total revenue	205,811,088	3,817,668	20,377,871	8,366,930	238,373,557
Expenditures:					
General government support	52,679,182	-	-	-	52,679,182
Public safety	88,795,617	-	-	-	88,795,617
Health	224,325	-	-	-	224,325
Transportation	1,428,950	-	-	-	1,428,950
Economic assistance and opportunity	2,622,541	3,022,412	-	-	5,644,953
Culture and recreation	5,104,665	-	-	-	5,104,665
Home and community services	1,399,695	-	-	8,554,993	9,954,688
Employee benefits	62,413,872	806,716	-	-	63,220,588
Capital outlay	-	-	85,484,852	-	85,484,852
Debt service:					
Principal	11,517,356	-	-	-	11,517,356
Interest	5,107,282	-	-	-	5,107,282
Total expenditures	231,293,485	3,829,128	85,484,852	8,554,993	329,162,458
Excess of expenditures over revenue	(25,482,397)	(11,460)	(65,106,981)	(188,063)	(90,788,901)
Other financing sources (uses):					
Issuance of SBITA	1,715,622	-	-	-	1,715,622
Transfers in	4,095,176	-	3,160,001	-	7,255,177
Transfers out	(3,160,001)	-	(4,095,176)	-	(7,255,177)
Total other financing sources (uses)	2,650,797	-	(935,175)	-	1,715,622
Net change in fund balances	(22,831,600)	(11,460)	(66,042,156)	(188,063)	(89,073,279)
Fund balances (deficit) at beginning of year	14,593,010	(889,302)	(40,273,755)	853,139	(25,716,908)
Fund balances (deficit) at end of year	$ (8,238,590)	(900,762)	(106,315,911)	665,076	(114,790,187)

See accompanying notes to financial statements.

CITY OF ALBANY, NEW YORK
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
Year ended December 31, 2025

Net change in fund balances - total governmental funds		$ (89,073,279)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation/amortization expense in the statement of activities. This is the amount by		
Capital asset additions	$ 57,426,468	
Depreciation/amortization expense	(21,825,202)	35,601,266
Lease and subscription liabilities and right-to-use lease and subscription assets increase but are not on governmental funds. Lease and subscription payments are recognized as expenditures in governmental funds, but the payments reduce long-term liabilities in the statement of net position. Thus, the change in net position differs from the change in fund balance as follows:		
Lease repayments	187,509	
Subscription repayments	254,847	
Issuance of new subscription	(1,715,622)	(1,273,266)
In the statement of activities, certain operating expenses are measured by the amounts incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Thus, the change in net position differs from the change in fund balance as follows:		
Compensated absences	(2,789,654)	
Judgments and claims	(11,997,635)	
Landfill post-closure costs	(490,763)	
Retainage payable on long-term contracts	(564,612)	(15,842,664)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		
Bond repayments	11,075,000	
Amortization of bond premiums	253,293	11,328,293
Accrued postemployment benefits increases long-term liabilities in the statement of net funds.		
Due to NYS retirement system	725,184	
Net pension liability - proportionate share - ERS	1,446,068	
Net pension liability - proportionate share - PFRS	(2,888,129)	
Total OPEB liability	24,767,522	24,050,645
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		(1,942,565)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		(25,000)
Change in net position of governmental activities		$ (37,176,570)

See accompanying notes to financial statements.

CITY OF ALBANY, NEW YORK
Statement of Net Position - Discretely Presented Component Units
December 31, 2025

	Albany Water Board and Albany Water Municipal Water Finance Authority	Albany Parking Authority	City of Albany Industrial Development Agency	Albany Port District Commission	City of Albany Capital Resource Corporation	Nonmajor Component Units	Total Component Units
Current assets:							
Cash and equivalents - unrestricted	$ 10,658,032	1,408,339	5,310,700	12,888,784	2,012,008	737,834	33,015,697
Cash and equivalents - restricted	7,604,224	3,179,096	9,875	-	-	-	10,793,195
Investments	14,252,812	1,463,525	-	-	-	236,129	15,952,466
Accounts receivable, net	9,859,770	127,626	500	386,421	-	48,665	10,422,982
Grants receivable	-	-	-	298,617	-	-	298,617
Notes receivable	-	-	-	-	-	30,084	30,084
Mortgage loans receivable	-	-	131,970	-	-	-	131,970
Lease receivable, current portion	-	115,624	-	3,423,797	-	-	3,539,421
Due from primary government	-	925,212	-	-	-	336,103	1,261,315
Due from other governments	2,322,217	-	-	-	-	-	2,322,217
Prepaid expenses	1,006,565	118,771	-	-	-	36,131	1,161,467
Other assets	-	-	500	480,436	-	-	480,936
Total current assets	45,703,620	7,338,193	5,453,545	17,478,055	2,012,008	1,424,946	79,410,367
Noncurrent assets:							
Capital assets, net	152,770,096	9,965,504	1,334,775	90,341,415	-	2,797,018	257,208,808
Lease receivable, noncurrent portion	-	332,719	-	12,881,392	-	-	13,214,111
Total noncurrent assets	152,770,096	10,298,223	1,334,775	103,222,807	-	2,797,018	270,422,919
Total assets	198,473,716	17,636,416	6,788,320	120,700,862	2,012,008	4,221,964	349,833,286
Deferred outflows of resources:							
Refunding of debt	-	34,803	-	-	-	-	34,803
ERS	-	1,027,585	-	381,467	-	-	1,409,052
OPEB	-	1,615,516	-	576,922	-	-	2,192,438
Total deferred outflows of resources	-	2,677,904	-	958,389	-	-	3,636,293
Current liabilities:							
Accounts payable	7,052,855	576,750	-	1,041,047	-	115,108	8,785,760
Accrued expenses	2,698,138	-	44,386	887,072	-	102,681	3,732,277
Accrued interest	547,874	-	-	-	-	3,941	551,815
Due to other governments	4,632,825	-	-	-	-	-	4,632,825
Line of credit	2,102,206	-	-	-	-	-	2,102,206
Due to primary government	730,746	-	173,970	-	-	-	904,716
Unearned revenue	-	106,591	9,875	9,249	-	89,692	215,407
Bonds payable, including premiums, current portion	2,888,248	380,000	-	-	-	-	3,268,248
Lease liabilities, current portion	53,906	81,398	-	169,640	-	-	304,944
Purchase finance agreements, current portion	-	242,914	-	-	-	-	242,914
Loans payable, current portion	-	-	-	-	-	41,142	41,142
Total current liabilities	20,706,798	1,387,653	228,231	2,107,008	-	352,564	24,782,254
Long-term liabilities:							
Bonds payable, including premiums, noncurrent portion	88,479,079	3,443,058	-	-	-	-	91,922,137
Lease liabilities, noncurrent portion	45,742	402,375	1,376,836	-	-	-	1,824,953
Purchase finance agreements, noncurrent portion	-	49,975	-	-	-	-	49,975
Loans payable, noncurrent portion	-	-	-	-	-	1,597,774	1,597,774
Security deposits	-	-	-	109,641	-	-	109,641
Net pension liability - proportionate share - ERS	-	1,459,925	-	833,448	-	-	2,293,373
Total OPEB liability	-	5,469,183	-	4,231,508	-	-	9,700,691
Total long-term liabilities	88,524,821	10,824,516	1,376,836	5,174,597	-	1,597,774	107,498,544
Total liabilities	109,231,619	12,212,169	1,605,067	7,281,605	-	1,950,338	132,280,798
Deferred inflows of resources:							
Leases	-	442,818	-	15,416,542	-	-	15,859,360
ERS	-	155,292	-	10,328	-	-	165,620
OPEB	-	4,960,769	-	1,155,766	-	-	6,116,535
Total deferred outflows of resources	-	5,558,879	-	16,582,636	-	-	22,141,515
Net position:							
Net invested in capital assets	61,303,121	7,148,492	-	89,651,824	-	1,158,102	159,261,539
Restricted	14,252,812	875,445	9,875	-	-	125,243	15,263,375
Unrestricted (deficit)	13,686,164	(5,480,665)	5,173,378	8,143,186	2,012,008	988,281	24,522,352
Total net position	$ 89,242,097	2,543,272	5,183,253	97,795,010	2,012,008	2,271,626	199,047,266

See accompanying notes to financial statements.

CITY OF ALBANY, NEW YORK
Statement of Activities - Discretely Presented Component Units
Year ended December 31, 2025

	Albany Water Board and Albany Municipal Water Finance Authority	Albany Parking Authority	City of Albany Industrial Development Agency	Albany Port District Commission	City of Albany Capital Resource Corporation	Nonmajor Component Units	Total Component Units
Operating revenue	$ 44,906,840	9,480,427	2,475,651	6,941,383	1,249,525	2,801,480	67,855,306
Operating expenses:							
Costs of services	32,960,215	7,244,270	997,754	5,679,371	81,212	2,888,510	49,851,332
Depreciation and amortization	9,788,028	1,080,878	20,003	3,598,439	-	76,624	14,563,972
Miscellaneous	-	300,830	5,065	31,985	-	-	337,880
Total operating expenses	42,748,243	8,625,978	1,022,822	9,309,795	81,212	2,965,134	64,753,184
Excess (deficiency) of operating revenue over expenses	2,158,597	854,449	1,452,829	(2,368,412)	1,168,313	(163,654)	3,102,122
Other nonoperating revenue (expenses):							
Interest income	485,093	168,105	51,213	35,004	14,368	10,440	764,223
Interest expense	(1,574,913)	(272,970)	(55,975)	(21,723)	-	-	(1,925,581)
Loss on disposal of capital assets, net	-	(50,726)	-	-	-	-	(50,726)
Other (expense) income	17,194,536	25,499	-	24,013,188	-	-	41,233,223
Total other nonoperating revenue (expenses)	16,104,716	(130,092)	(4,762)	24,026,469	14,368	10,440	40,021,139
Change in net position	18,263,313	724,357	1,448,067	21,658,057	1,182,681	(153,214)	43,123,261
Net position at beginning of year, as previously stated	75,626,751	1,818,915	3,735,186	76,136,953	829,327	-	158,147,132
Correction of error (note 18)	(4,647,967)	-	-	-	-	-	(4,647,967)
Change to the financial reporting entity (note 19)	-	-	-	-	-	2,424,840	2,424,840
Net position at beginning of year, as restated	70,978,784	1,818,915	3,735,186	76,136,953	829,327	2,424,840	155,924,005
Net position at end of year	$ 89,242,097	2,543,272	5,183,253	97,795,010	2,012,008	2,271,626	199,047,266

See accompanying notes to financial statements.

CITY OF ALBANY, NEW YORK
Statement of Changes in Fiduciary Net Position
Custodial Fund
Year ended December 31, 2025

Additions - real property taxes collected for other governments	$ 20,746,480
Deductions - payments of real property taxes to other governments	20,746,480
Change in fiduciary net position	-
Fiduciary net position at beginning of year	-
Fiduciary net position at end of year	$ -

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The City of Albany, New York (the City) was established in 1614, chartered in 1686, and is governed by a Mayor and the City's Common Council. The City, as the primary government, performs local governmental functions within its jurisdiction, including general governmental support, public safety, culture and recreation, transportation, health, and economic assistance and opportunity.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), promulgated by the Governmental Accounting Standards Board (GASB), which is the primary standard-setting body for establishing state and local governmental accounting and financial reporting principles.

As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and accordingly data from these units are combined with the data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City.

The decision to include a component unit in the City's reporting entity is based on several criteria, including legal standing, fiscal dependency, financial accountability, selection of governing authority and ability to significantly influence operations. Based on the application of these criteria, the following is a brief review of significant entities considered in determining the City's reporting entity. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

The City's component units are legally separate entities that are not operating departments of the City. The component units are managed independently, largely outside the appropriated budget process, and their powers generally are vested in a governing board. The governing boards of the component units are either entirely or partially appointed by the mayor.

(1) Summary of Significant Accounting Policies, Continued

(b) Blended Component Unit

The Albany Community Development Agency (the Agency) is a public benefit corporation established by laws of the State of New York (the State) and governed by a seven-member board of directors who are City officials. The objectives of the Agency are to provide a suitable living environment and to expand economic opportunities for persons of low and moderate income within the City. The Agency has been designated by the City to undertake community development programs on behalf of the City and to administer federal community development block grant programs.

The City has the ability to significantly influence operations, select the governing board and participate in fiscal management, accordingly, the Agency is treated as a blended component unit of the City and its activities are included as a special revenue fund of the primary government and reported separately as a governmental fund in the governmental fund statements.

(c) Discretely Presented Component Units

The following discretely presented component units are reported in a separate column to emphasize that they are legally separate from the City:

Albany Water Board and Albany Municipal Water Finance Authority

The City of Albany Water and Sewer System (the System) provides water supply and distribution, and the collection and disposal of sewage for the City. The System began operations in February 1988, and consists of two legally separate and independent entities, the Albany Municipal Water Finance Authority (the Authority) and the Albany Water Board (the Board).

The Authority, a public benefit corporation, was established in 1986 for the purpose of issuing revenue bonds to pay for the purchase, future improvement, and construction of the System. Among its powers, the Authority may borrow money, issue debt, and require that the Authority charge and collect sufficient rates to pay the costs of operating and financing the System. The Authority consists of seven members, two members of which are appointed by the Governor of the State, and five members of which are appointed by the Mayor of the City.

The Board, a corporate municipal instrumentality, was established in 1986 with the power to set and collect water and sewer fees in the amounts sufficient to pay the debt service on the bonds of the Board, as well as to provide for the costs of the operation and maintenance of the System. The primary responsibility of the Board is to charge, collect, and enforce rates and other charges for the System. The Board consists of five members who are appointed by the Mayor of the City.

(1) Summary of Significant Accounting Policies, Continued

(c) Discretely Presented Component Units, Continued

Albany Parking Authority

The Albany Parking Authority (the Parking Authority) was established in 1982 as a public benefit corporation of the State. The Authority's existence is for a period of fifteen years, and thereafter until all of its liabilities have been met, and its bonds have been discharged. All rights and properties shall pass to the City upon the cessation of the Parking Authority's existence. The Parking Authority is authorized to construct, operate and maintain areas or places in the City for the parking or storing of motor vehicles and is governed by a board of directors, which consists of five members appointed by the Mayor of the City with the advice and consent of the City Common Council.

City of Albany Industrial Development Agency

The City of Albany Industrial Development Agency (the IDA) is a public benefit corporation established July 1, 1983 under the mandate of Article 18-A, "New York State Industrial Development Agency Act," of State general municipal law.

The IDA was established to promote and assist in acquiring or constructing various business and recreational facilities and, in the process, advance the job opportunities, health, general prosperity and economic welfare of the people of the City. A function of the IDA is to authorize the issuance of industrial revenue bonds for industrial development projects. The IDA reviews and determines whether to recommend approval of those applicants wishing to obtain financing. The IDA receives application fees from applicants and closing fees from those accepted for industrial revenue financing. The IDA is governed by a seven-member board of directors appointed by the City Common Council.

Albany Port District Commission

The Albany Port District Commission (the Commission) was established in 1925 by Chapter 192 of the Laws of the State. The law, as amended through December 31, 1986, grants the Commission regulatory powers over the development and operations of the port facilities of the Albany Port District (the Port). The Commission is a public corporation with perpetual existence and has the right of eminent domain, with the power to construct, develop and operate Port facilities including a terminal railroad; to fix fees, rates, rentals and other charges for its facilities; to regulate and supervise the construction and operations of Port facilities by private enterprise; to issue bonds and notes and to do all things necessary to make the Port useful and productive.

The Laws of 1925 provide that the municipalities of Albany and Rensselaer be assessed for the Commission's deficit, if any, from operations and financing. A reapportionment determination made April 1, 1932 established the rates of 88 percent for Albany and 12 percent for Rensselaer. These rates are still in effect and although the rates are subject to change under the provisions of the law, in recent years, there have been no such changes.

(1) Summary of Significant Accounting Policies, Continued

(c) Discretely Presented Component Units, Continued

City of Albany Capital Resource Corporation

The City of Albany Capital Resource Corporation (the CRC) is a non-profit organization that was formed in April 2010 under the Not-for-Profit Corporation Law of the State. The primary purpose of the CRC is to promote community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of the City by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses, and other entities to access low interest tax-exempt and non-tax-exempt financing for their eligible projects. The Directors of the CRC are appointed by the City's Common Council.

Lark Street Area District Management Association, Inc.

Lark Street Area District Management Association, Inc. (the Association) is a tax exempt organization organized in 1996 under the Not-for-Profit Corporation Laws of New York State. The Association was created to execute responsibilities of a Comprehensive Business Improvement District. These responsibilities include but are not limited to administration, project development, public relations and public improvements in the Lark Street business improvement district. The Association may be dissolved by legislative body with all the assets reverting back to the City. The Association's activities are immaterial, accordingly, the Association's operations have been excluded from these financial statements.

Central District Management Association, Inc.

The Central District Management Association, Inc. doing business as the Central Business Improvement District, Inc. (the CBID) is a non-profit organization formed in January 1998 under the Not-for-Profit Corporation Law of the State. The primary purpose of the CBID is to promote the preservation and development of the Central Avenue business corridor of the City and to make the area more attractive and accessible. To this end, the CBID will work to enhance the public perception of the Central Avenue business corridor through overseeing and managing the appearance, security and cleanliness of the business improvement district. The CBID may be dissolved by legislative body with all the assets reverting back to the City.

Downtown Albany Restoration Program, Inc.

Downtown Albany Restoration Program, Inc. d/b/a Downtown Albany Business Improvement District, Inc. (the BID) is a tax-exempt organization organized in 1996 under the Not-for-Profit Corporation Law of the State. The BID was created to execute the responsibility of a comprehensive business improvement district. These responsibilities include but are not limited to administration, project development, public relations and public improvements in the downtown business improvement district. The BID may be dissolved by legislative body with all the assets reverting back to the City.

Since the December 31, 2025 financial information is not available for the CBID and the BID at the date of the City's financial statements issuance, the December 31, 2024 financial information is presented, as management does not believe the impact to be material. The Association's financial information is not included in the City's financial statements as management does not believe the omission to be material.

(1) Summary of Significant Accounting Policies, Continued

(c) Discretely Presented Component Units, Continued

Entities excluded from the reporting entity:

Albany Housing Authority

The Albany Housing Authority (Housing Authority) was established by State statute. The Mayor of the City appoints the board of directors of the Housing Authority; however, the City is not financially accountable for the Housing Authority, the City cannot significantly influence the activities of the Housing Authority and the Housing Authority does not provide specific financial benefits to or impose specific financial burdens on the City.

Albany City School District

The Albany City School District (the School District) operates the elementary and high schools in the City. The City is not accountable for the School District as the School District has the authority to levy taxes and School District board members are elected officials.

(d) Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. The effect of interfund, but not interprimary government and component unit, transactions have generally been eliminated from these financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support. The City's activities are all classified as governmental activities. The primary government is reported separately from certain legally separate component units for which the City is financially accountable.

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

(e) Measurement Focus, Basis of Accounting and Basis of Presentation

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

(1) Summary of Significant Accounting Policies, Continued

(e) Measurement Focus, Basis of Accounting and Basis of Presentation, Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenue are recognized when they are both measurable and available. Revenue are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if they are collected within one year.

Expenditures are generally recorded when a liability is incurred, in the same manner as accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, postemployment benefit obligations, claims and judgments and similar long-term liabilities are recorded only when payment is due.

Property taxes, sales taxes, licenses and other fees are all recognized as revenue of the current period. Special assessments are recorded as receivable and deferred revenue at the time the related project is completed and levied. Revenue is recognized as assessments become measurable and available, normally as received.

The City reports the following major governmental funds:

Governmental fund types

General Fund - The General Fund is the principal fund of the City. All financial transactions related to revenue and expenditures for delivery of those services traditionally provided by a municipal government, which are not required to be accounted for in other funds, are accounted for in the General Fund.

Special Revenue Funds - These funds account for the proceeds of specific revenue sources (other than major capital projects that are legally restricted to expenditures for specified purposes). The following Special Revenue Funds operate within financial limits of an annual budget adopted by the City Common Council. Special Revenue Funds of the City include the Special Revenue Fund which is principally used to account for the use of state and federal monies received under the Corporation for National and Community Services program as well as United States Department of Justice and other youth and recreational funds.

Capital Projects Fund - Resources used to construct or acquire capital improvements, and general fixed assets are accounted for in this fund. Resources are derived principally from proceeds of long-term debt and Federal and State aid.

Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the City on behalf of others. The Custodial Fund is used to account for real property taxes collected and remitted for other governments.

(1) Summary of Significant Accounting Policies, Continued

(f) Cash and Equivalents

The City's investment policies must comply with State statutes as well as their own written investment policy. City monies must be deposited into Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The City is authorized to use money market accounts and certificates of deposit. Permissible investments include obligations of the United States Treasurer, and United States agencies that are backed by the full faith and credit of the United States, repurchase agreements, and with the permission of the State Comptroller, obligations of New York State or its localities.

Deposits in excess of the FDIC limits are required to be fully collateralized by obligations of New York State or Federal agencies, the principal and interest of which are guaranteed by the United States or obligations of New York State local governments. The securities are held in a separate, segregated account in the name of the financial institution for the benefit of the City.

The City considers highly liquid investments (including restricted assets) with an original maturity date of three months or less, and money market accounts to be cash equivalents.

(g) Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either due to/from other funds or advances to/from other funds.

All landfill and other accounts receivable are shown net of an appropriate allowance for uncollectible accounts, where such a provision is required.

(h) Inventories and Prepaid Items

The City does not maintain inventories of supplies and records expenditures when purchased rather than when consumed. Likewise, it records payments to vendors for prepaid expenses as expenditures when paid.

(i) Restricted Assets

Restricted assets, which consist principally of cash and equivalents, are assets to be used for the reduction of future debt service payments and to provide resources to offset the costs of future capital improvements.

(j) Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (including roads, bridges, sidewalks and similar items) are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of $5,000 or more and an estimated life of three years or more. These assets are recorded at historical cost or estimated historical cost if purchased or constructed. Normal maintenance and repair costs that do not add to the value of the asset or materially extend their lives are not capitalized.

(1) Summary of Significant Accounting Policies, Continued

(j) Capital Assets, Continued

Major classes of capital assets are depreciated using the straight-line method over various useful lives. Useful lives for the major classes of capital assets are summarized as follows:

Buildings, capital leases and improvements	20- 50 years
Machinery and equipment	3-20 years
Infrastructure	30 years

(k) Compensated Absences

Employees earn vacation and sick leave as they provide service. Pursuant to collective bargaining agreements, they may accumulate, subject to certain limitations, unused time earned and upon retirement, termination, or death, may be compensated for such accumulated time. In addition, certain employees may accumulate unused sick time earned and upon retirement, termination, or death, may be compensated for such accumulated time.

(l) Retirement Benefits

The City provides retirement benefits for its employees through contributions to the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS). These retirement programs provide various plans and options, some of which require employee contributions.

The City provides health insurance coverage for retired employees and their dependents. Substantially all of the City's employees may become eligible for these benefits if they reach normal retirement age and retire under ERS or PFRS while working for the City. The cost of providing postemployment benefits is shared between the City and the retired employee. The City recognizes the cost of providing health insurance by recording its share of insurance premiums for retirees and their dependents, as an expenditure in the year paid.

(m) Judgments and Claims

The liability for claims in process represents estimates for all known workers' compensation claims and probable legal settlements at year end.

(n) Deferred Revenue

Deferred revenue principally represent unpaid loan balances resulting from various community development home loan programs operated by the City. When loan payments are received, revenue is recognized to the extent of principal received. When grant funds are reloaned, a corresponding expenditure is recorded. When the allowance for loan losses is increased, a corresponding decrease in the amount of deferred revenue is made in the same period, the effect of which is to reduce the overall amount of funds available for future loans.

(1) Summary of Significant Accounting Policies, Continued

(o) Short-Term Debt

The City may issue bond anticipation notes (BAN) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

(p) Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are recognized as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds.

In the fund financial statements, bond premiums and discounts are reported in the current period. The face amount of debt issued is reported as other financing sources. Payments on such debt are recognized as expenditures in the period made. Premiums and discounts are reported as other financing sources or uses.

(q) Right-to-use Lease and Subscription Assets

The City's right-to-use lease and subscription-based information technology arrangements (SBITA) assets are reported within the major class of the underlying asset and initially measured at an amount equal to the initial measurement of the related lease or SBITA liability plus any lease or SBITA payments made at or before the commencement of the lease or SBITA term, less any incentives, plus ancillary charges necessary to place the right-to-use asset into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease or SBITA.

(r) Deferred Outflows and Inflows of Resources

Deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. The first item is related to the pensions reported in the statement of net position. This represents the effect of the net change in the City's proportion of the collective net pension liabilities and difference during the measurement period between the City's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item relates to the City's contributions to the pension systems subsequent to the measurement date. The third item is related to other postemployment benefits reported in the statement of net position. This represents changes of assumptions in the calculation of the liability.

(1) Summary of Significant Accounting Policies, Continued

(r) Deferred Outflows and Inflows of Resources, Continued

Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The first is related to the pensions reported in the statement of net position. This represents the effect of the net change in the City's proportion of the collective net pension liabilities and difference during the measurement periods between the City's contributions and its proportional share of total contributions to the pension systems not included in the pension expense. The second item represents differences between changes of assumptions related to the other postemployment liability. The third is reported in the statement of net position and the balance sheet - governmental funds and relates to leases receivable.

(s) Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components:

Net investment in capital assets - consists of capital assets, net of accumulated depreciation/amortization, and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the City includes restricted for special purpose trusts, special revenue funds, capital projects and debt service.

Unrestricted - net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

(t) Fund Balances

Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

(1) Summary of Significant Accounting Policies, Continued

(t) Fund Balances, Continued

Nonspendable fund balance - includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance - is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law of the State.

Committed fund balance - is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The City Common Council is the highest level of decision making authority for the City that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the City Common Council removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the City Common Council.

Assigned fund balance - represents amounts constrained either by policies of the City Common Council for amounts assigned for balancing the subsequent year's budget or the City Comptroller for amounts assigned as encumbrances as authorized by the City Common Council. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance - represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

(1) Summary of Significant Accounting Policies, Continued

(t) Fund Balances, Continued

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: committed, assigned and unassigned.

(u) Real Property Taxes

Real property taxes are levied and payable in January. Any real property taxes not paid by the following December 31 are purchased without recourse by the County of Albany, New York. Accordingly, the total levy is considered measurable and available, and there is no allowance or deferral for real property taxes at December 31, 2025.

(v) Tax Abatements

The City has several real property tax abatement agreements with various entities that generally follow along two methods from two different enabling sources which are used for two different general purposes, with a few agreements that overlap the categories. These agreements all call for a form of Payment in Lieu of Taxes (PILOT).

Generally the tax abatements are issued under the New York State Private Housing Finance Law (PHFL) or the IDA. There are also separate PILOT agreements with NYS (19-a PILOTs) that are not included for the purposes of GASB77, Tax Abatement Disclosures.

PILOT agreements are in place under both categories, with shelter rents (a percentage of the rents from the housing) being the predominant PILOT method for PHFL agreements, and payments of a percentage of taxable assessed value being the predominant PILOT method for IDA agreements. The PHFL properties are mostly organized under the Albany Housing Authority. These properties contain almost exclusively affordable housing units. The IDA properties are commercial properties comprised of a mix of hotel, office, retail and both market rate and affordable apartment units.

For the year ended December 31, 2025, PHFL and IDA agreements resulted in tax abatements of $3,076,736 and $2,525,231, respectively.

(w) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including compensated absences, other postemployment benefits, potential contingent liabilities and useful lives of long-lived assets.

(1) Summary of Significant Accounting Policies, Continued

(x) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 103 - Financial Reporting Model Improvements. Effective for fiscal years beginning after June 15, 2025.

Statement No. 104 - Disclosure of Certain Capital Assets. Effective for fiscal years beginning after June 15, 2025.

Statement No. 105 - Subsequent Events. Effective for fiscal years beginning after June 15, 2026.

(y) Subsequent Events

The City has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued. The City issued a BAN on March 19, 2026 in the amount of $142,939,263. This BAN matures on March 19, 2027 and has a stated interest rate of 4.00%. The City also received a premium on this issuance of $598,000. Only July 15, 2025, Standards and Poors Global Ratings downgraded the City's long-term rating to A from AA on general obligation debt outstanding.

(2) Explanation of Certain Differences Between Government-Wide Statements and Governmental Fund Financial Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the governmental activities, compared with the current financial resources focus of the governmental funds.

(a) Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the City's governmental funds differ from net position of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund's balance sheet.

(2) Explanation of Certain Differences Between Government-Wide Statements and Governmental Fund Financial Statements, Continued

(b) Statement of Revenue, Expenditures and Changes in Fund Balances vs. Statement of Activities

Differences between the governmental funds statement of revenue, expenditures and changes in fund balances and the statement of activities fall into one of three broad categories. The amounts shown below represent:

Long-term revenue and expense differences:

Long-term revenue differences arise because governmental funds report revenue only when they are considered "available," whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation/amortization expense on those items as recorded in the statement of activities.

Long-term liability transaction differences:

Long-term liability transaction differences relate principally to bonds, postemployment benefits and accrued compensated absences. Both interest and principal payments on bonds and other long-term debt are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

Employees earn vacation and sick leave as they provide service. They may accumulate (subject to certain limitations) unused time earned and, upon retirement, termination or death, may be compensated for such accumulated time. The cost of vacation pay and sick time are recognized in the statement of revenue, expenditures and changes in fund balances when the expenditures are paid. The cost of vacation and sick time earned within the reporting period, including that which is not expected to be paid with expendable available financial resources, is reported in the government-wide financial statements as a liability and expensed in the statement of activities.

(2) Explanation of Certain Differences Between Government-Wide Statements and Governmental Fund Financial Statements, Continued

(b) Statement of Revenue, Expenditures and Changes in Fund Balances vs. Statement of Activities, Continued

Employees earn retirement benefits as they provide service. The benefit is based on factors such as the applicable employee agreement, the employees' hiring date and the number of years of service to the City. The costs of retirement benefits are recognized in the statement of revenue, expenditures and changes in fund balances when the expenditures are paid. Pension benefits are accounted for in accordance with GASB Statement No. 68 and are reported in the government-wide financial statements as a liability/asset, deferred outflows of resources/deferred inflows of resources and expensed in the statement of activities accordingly. Other postemployment benefits are accounted for in accordance with GASB Statement No. 75 and are reported in the government-wide financial statements as a liability and expensed in the statement of activities accordingly.

(3) Stewardship, Compliance and Accountability

Pursuant to Article 6 of the Second Class Cities Law of the State and its own charter, the City legally adopts calendar year budgets for the General and Special Revenue Funds. Any amendments to the original budget during the year require the approval of the Board of Estimate and Apportionment. For the year ended December 31, 2025, the General and Special Revenue Funds overspent their respective budgets.

The appropriated budget is prepared by fund, function and department, encumbrance accounting is employed in governmental funds. Encumbrances (such as purchase orders) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

The General, Special Revenue, and Capital Projects Funds all have fund balance deficits as of December 31, 2025. Those deficits are expected to be addressed through grants and long-term debt issuances.

(4) Cash and Equivalents

The carrying amount of cash and equivalents at December 31, 2025 totaled $27,312,598 and the available bank balance was $34,979,842. These bank balances were covered by FDIC depository insurance or collateral as follows:

Amount insured by FDIC	$ 250,000
Collateralized by a third party	34,729,842
Total	$ 34,979,842

(5) Notes Receivable

Notes receivable of $550,000 reported in the governmental fund financial statements and the government-wide financial statements as of December 31, 2025 represent a term note with The Palace Performing Arts Center, Inc. The repayment terms require annual principal payments of $25,000 with no interest payments.

In the governmental fund financial statements, the above amount has been reflected as deferred inflows of resources since the amounts apply to a future period and so will not be recognized as an inflow of resources until that time.

(6) Mortgage Loans Receivable and Deferred Revenue

The City, through the Agency, lends monies received through Federal grants (principally HUD, CDBG, and HOME) to individuals, businesses, and non-profit agencies at low interest rates to fund the acquisition and rehabilitation of low-income housing and other community development projects in the City. Loan disbursements are recorded as grant expenditures and loan repayments are recorded as program income. Mortgage loans receivable and the related unearned revenue account consist of principal to be collected in future periods or principal amounts that are forgiven annually in accordance with grant provisions.

Interest rates and loan periods are determined using criteria established by the granting agency. Interest rates on these loans range between 0% and 8% and loan periods are either for a period of up to 15 years or unearned and forgiven as long as the beneficiary is in compliance with the loan agreement.

In 2011, the Agency initiated a Choose Albany revolving loan fund utilizing general funds. The revolving loan fund promotes home ownership in Albany and funded loans, until 2019, for 8% of a home's purchased price up to $15,000. Loans may be utilized for down payment assistance or closing costs. The loans have a ten year term with zero percent interest. In 2019, the Choose Albany program was changed for new loans to be utilized for 5% of the purchase price up to $8,500 and forgiven over the term of the loan as long as the beneficiary is in compliance with the loan agreement.

The balance of mortgage loans receivable, net of related allowances, is comprised of the following at December 31, 2025:

Program	Loan Principal	Allowance	Net
HUD, net of allowance	$ 4,130,712	(94,455)	4,036,257
HUD, forgivable grant loans, net of allowance	8,889,250	(1,698,815)	7,190,435
Choose Albany, net of allowance	109,484	(55,850)	53,634
Total	$ 13,129,446	(1,849,120)	11,280,326

(7) Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Increases	Decreases	Balance December 31, 2025
Capital assets not being depreciated:				
Land	$ 1,860,528	-	-	1,860,528
Construction-in-progress	25,296,213	49,307,519	-	74,603,732
Total capital assets not being depreciated	27,156,741	49,307,519	-	76,464,260
Capital assets being depreciated:				
Buildings and improvements	62,531,792	415,576	-	62,947,368
Machinery and equipment	112,331,537	5,808,015	(27,500)	118,112,052
Infrastructure	514,772,870	179,736	-	514,952,606
Right-to-use leases	921,652	-	-	921,652
Right-to-use SBITAs	693,335	1,715,622	-	2,408,957
Total capital assets being depreciated	691,251,186	8,118,949	(27,500)	699,342,635
Less accumulated depreciation:				
Buildings and improvements	40,582,650	1,539,110	-	42,121,760
Machinery and equipment	89,117,920	6,511,979	(27,500)	95,602,399
Infrastructure	303,838,228	13,165,128	-	317,003,356
Right-to-use leases	531,789	181,058	-	712,847
Right-to-use SBITAs	405,854	427,927	-	833,781
	434,476,441	21,825,202	(27,500)	456,274,143
Total capital assets, net	$ 283,931,486	35,601,266	-	319,532,752

Depreciation/amortization expense was charged to governmental functions as follows:

General government support	$ 8,273,470
Public safety	4,173,850
Transportation	6,715,243
Economic assistance and opportunity	636,860
Culture and recreation	935,136
Home and community services	1,090,643
	$ 21,825,202

(8) Interfund Activity

A summary of interfund activity as of and for the year ended December 31, 2025 is as follows:

Fund	Due From	Due To
General	$ 5,493,915	335,000
Special Revenue	-	1,007,328
Capital Projects	335,000	4,272,160
Albany Community Development Agency	9,965	224,392
	$ 5,838,800	5,838,800

Fund	Transfers In	Transfers Out
General	4,095,176	3,160,001
Capital Projects	3,160,001	4,095,176
	$ 7,255,177	7,255,177

(9) Due From/To Component Units

The City has reported $64,650 as the amount due to the component units, net as of December 31, 2025. The component units reported $356,599 as the amount due from the primary government, net as of December 31, 2025. The net difference as reported by the City and its component units is $291,949 which is primarily caused by timing differences due to the presentation of December 31, 2024 financial information for the CBID and the BID.

(10) Short-Term Debt

During the year ended December 31, 2025, the City issued BANs in the amount of $121,245,677. Short-term debt transactions for the year ended December 31, 2025, are summarized below:

	Maturity	Interest Rate	Balance 1/1/2025	Issued	Redeemed	Balance 12/31/2025
BAN	3/21/2025	4.00%	$ 43,103,000	-	43,103,000	-
BAN	3/21/2025	4.50%	6,719,000	-	6,719,000	-
BAN	3/20/2026	4.25%	-	30,000,000	-	30,000,000
BAN	3/20/2026	4.00%	-	76,311,677	-	76,311,677
BAN	3/20/2026	4.00%	-	14,934,000	-	14,934,000
	Total		$ 49,822,000	121,245,677	49,822,000	121,245,677

Interest expense on BANs totaled $1,922,346 for the year ended December 31, 2025.

(11) Indebtedness

(a) Long-Term Debt

Summary of changes in the City's long-term liabilities for the year ended December 31, 2025 are as follows:

	Balance at January 1, 2025	Increases	Decreases	Balance at December 31, 2025	Due within one year
Bonds	$ 76,685,000	-	11,075,000	65,610,000	9,905,000
Bond premiums	4,000,055	-	253,293	3,746,762	596,356
Total OPEB liability	308,709,856	-	8,137,409	300,572,447	-
Compensated absences	23,227,597	2,789,654	-	26,017,251	-
Due to NYS retirement system	11,154,008	-	725,184	10,428,824	1,322,432
Net pension liabilities	88,218,949	19,316,328	-	107,535,277	-
Lease liabilities	407,961	-	187,509	220,452	182,505
Subscription liabilities	254,847	1,715,622	254,847	1,715,622	321,115
Judgments and claims	26,819,172	11,997,635	-	38,816,807	-
Landfill post-closure costs	11,784,657	490,763	-	12,275,420	-
Retainage payable on long-term contracts	1,118,685	564,612	-	1,683,297	-
Total	$ 552,380,787	36,874,614	20,633,242	568,622,159	12,327,408

*Compensated absences changes are shown as net.

(b) Bonds

Serial bonds, the proceeds of which have been used primarily to provide funds for various capital projects, consists of the following at December 31, 2025:

Interest Rate	Date Issued	Maturity Date	Amount of Original Issue	Outstanding December 31, 2025
4.00%	2018	2028	$ 33,310,417	10,835,000
3.00%	2019	2034	26,000,000	17,340,000
4.00%	2022	2032	50,645,000	37,435,000
				$ 65,610,000

The following are details of bonds outstanding at December 31, 2025:

- In June 2018, the City issued $33,310,417 in General Obligation Serial Bonds. The bonds carry an interest rate of 4.00%. The bonds have maturity dates ranging from June 15, 2019 through June 15, 2028. The proceeds of the bonds, along with available funds, were used to redeem $39,390,417 of the $44,596,417 BANs that were issued in 2017 and matured June 29, 2018.
- In January 2019, the City issued $26,000,000 in General Obligation Serial Bonds. The bonds carry an interest rate of 3.00%, with a premium of $376,109. The bonds have maturity dates ranging from January 15, 2020 through January 15, 2034. The proceeds of the bonds provided new monies for the purchase of streetlights and conversion to LED.

(11) Indebtedness, Continued

(b) Bonds, Continued

- In March 2022, the City issued $50,645,000 in General Obligation Serial Bonds. The bonds carry an interest rate of 4.00%, with a premium of $5,555,316. The bonds have maturity dates ranging from March 15, 2023 through March 15, 2032. The proceeds of the bonds, along with available funds, were used to redeem $51,543,785 of the $59,304,275 BANs that were issued in 2021 and matured March 25, 2022.

Future maturities of general long-term debt as of December 31, 2025 are as follows:

Year ending	Principal	Interest	Total
2026	$ 9,905,000	2,261,325	12,166,325
2027	10,300,000	1,874,350	12,174,350
2028	10,650,000	1,473,050	12,123,050
2029	7,190,000	1,134,550	8,324,550
2030	7,465,000	860,350	8,325,350
2031-2034	20,100,000	985,375	21,085,375
	$ 65,610,000	8,589,000	74,199,000

Interest expense for bonds was totaled $2,658,000 for the year ended December 31, 2025.

(c) Interest Expense

Interest expense for the year ended December 31, 2025, consists of the following:

Cash paid:		
General obligation bonds	$ 2,658,000	
Leases	13,905	
SBITAs	12,559	
NYS retirement system	500,472	
BAN	1,922,346	5,107,282
Less prior year accrued interest		(2,145,012)
Plus current year accrued interest		4,087,577
Less amortization of bond premiums		(253,293)
		$ 6,796,554

(d) Due to New York State and Local Retirement System

Each year from 2011 through 2025, the City elected to defer part of their State pension contributions. The deferred portions of the contributions are amortized over twelve or ten years, depending on the year of deferral, at rates of 1.60% - 5.10%.

(11) Indebtedness, Continued

(d) Due to New York State and Local Retirement System, Continued

A summary of future payment obligations as of December 31, 2025 is as follows:

Year ending	Principal	Interest	Total
2026	$ 1,322,432	440,849	1,763,281
2027	1,281,633	391,746	1,673,379
2028	1,212,603	343,590	1,556,193
2029	1,095,776	296,490	1,392,266
2030	1,053,824	252,783	1,306,607
2031-2035	4,097,764	623,530	4,721,294
2036	364,792	19,808	384,600
	$ 10,428,824	2,368,796	12,797,620

(e) Litigation and Contingent Liabilities

Judgments and Claims

There are various suits and claims pending against the City during its normal course of business. In the aggregate, these claims seek monetary damages in significant amounts. The City has recognized an accrued liability of $17,529,300 related to judgments and claims where the outcome of such litigation has been determined to result in probable loss to the City. The outcome of the remaining claims cannot be determined at this time.

Workers' Compensation Claims

The City self-insures workers' compensation claims. The City and its component units, with the exception of the BID, the Association, and the CBID, all participate in the self-insurance program.

Under the program, the City utilizes a program administrator to process claims as they occur. A liability for unpaid claims based upon individual case estimates for claims incurred as well as claims incurred but not reported at December 31, 2025. This liability is the City's best estimate based on available information and amounted to $21,287,507 as of December 31, 2025.

(f) Grant Programs

City

The City participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs may be conducted periodically in accordance with grantor requirements. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amounts of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the City believes, based upon its review of current activity and prior experience, the amount of such disallowances, if any, will be minimal.

(11) Indebtedness, Continued

(f) Grant Programs, Continued

Agency

The Agency receives a major portion of its annual revenue through Federal and State grants. Any significant reduction in grant funding levels could have a negative impact on the Agency and the services it offers. The Agency's grant funding is typically awarded for specific programs or purposes and is subject to review and audit by the grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the applicable grant. Management believes that all grant funds were expended in accordance with applicable terms and does not expect any significant disallowance claims will be made by grantor agencies.

(g) Landfill Closure and Post Closure Care Costs

The City has four landfills, three of which stopped accepting waste prior to December 1993. The fourth, Albany Interim Landfill (AIL), together with its expansions added in 2010 and 2012, is still accepting waste at December 31, 2025. In June 2019, the New York State Department of Environmental Conservation (DEC) issued a renewal permit to the City to continue operations of the existing landfill through June 2024. The City applied for an extension for this permit, which is currently under review by the DEC. The existing permit does not expire until the DEC has made a final decision on the renewal application.

State and Federal laws and regulations require the City to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste. The City reports closure and post closure care costs based on landfill capacity used as of each year end date.

Accrued landfill closure and post closure care costs of $12,275,420 at December 31, 2025, represent the cumulative amount reported to date based on the use of 100% of the estimated capacity of all previously closed landfills and 95% of the estimated capacity of the AIL as determined by an independent engineer. The City will recognize the remaining estimated cost of closure and post closure care as the remaining AIL capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2025. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

(12) Pension Plans

(a) Plan Description and Benefits Provided

The City participates in ERS and PFRS which are collectively referred to as the New York State and Local Retirement System (System). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The City also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. GLIP amounts are appointed to and included in ERS. The System is included in the State's financial report as a pension trust fund. That report including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pensions

At December 31, 2025, the City reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	ERS	PFRS
Measurement date	March 31, 2025	March 31, 2025
Net pension liability	$22,382,939	85,152,338
City's proportion of the System's net pension liability	0.1305453%	1.4012555%
Change in proportion from prior year	0.0020553	(0.0599005)

For the year ended December 31, 2025, the City recognized its proportionate share of pension expense in the government-wide financial statements of $4,756,883 for ERS and $19,192,654 for PFRS.

(12) Pension Plans, Continued

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pensions, Continued

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	ERS		PFRS	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ 5,555,596	(262,061)	28,363,116	-
Changes of assumption	938,696	-	12,786,595	-
Net difference between projected and actual earnings on pension plan investments investments	1,756,103	-	3,272,982	-
Changes in proportion and differences between City contributions and proportionate share of contributions	790,409	(931,578)	2,348,487	(8,514,375)
City contributions subsequent to the measurement date	4,759,942	-	12,048,804	-
	$ 13,800,746	(1,193,639)	58,819,984	(8,514,375)

City contributions subsequent to the measurement date will be recognized as a reduction of the net pension system in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pensions will be recognized in pension expense as follows:

Year ending	ERS	PFRS
2026	$ 3,771,112	20,623,290
2027	5,792,084	12,326,347
2028	(1,902,688)	(470,241)
2029	186,657	3,899,449
2030	-	1,877,960
	$ 7,847,165	38,256,805

(c) Actuarial Assumptions

The total pension liabilities at March 31, 2025 were determined by using a roll forward procedure to advance the liability calculated using system assumptions and member demographics from the actuarial valuation completed as of April 1, 2024. Economic assumptions used in the April 1, 2024 actuarial valuation include:

(12) Pension Plans, Continued

(c) Actuarial Assumptions, Continued

	ERS	PFRS
Actuarial valuation date	April 1, 2024	April 30, 2024
Measurement date	March 31, 2025	March 31, 2025
Inflation	2.9%	2.9%
Salary increases	4.3%	6.2%
Investment rate of return, (net of investment expense including inflation)	5.9%	5.9%
Cost-of-living adjustments	1.5%	1.5%

To set the long-term rate of return on pension plan investments, consideration was given to a building-block method using best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Demographic assumptions used in the April 1, 2024 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 - March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic equity	25%	3.54%
International equity	14%	6.57%
Private equity	15%	7.25%
Real estate	12%	4.95%
Opportunistic/ARS portfolio	3%	5.25%
Credit	4%	5.40%
Real assets	4%	5.55%
Fixed income	22%	2.00%
Cash	1%	0.25%
	100%	

*The real rate of return is net of the long-term inflation assumption of 2.9%.

(12) Pension Plans, Continued

(d) Discount Rate

The discount rate used to calculate the total pension liabilities was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

(e) Sensitivity of the Proportionate Share of the Net Pension Liabilities to the Discount Rate

The following presents the City's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.9%, as well as what the City's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower 4.9% or 1-percentage point higher 6.9% than the current rate:

	1% Decrease 4.9%	Current Assumption 5.9%	1% Increase 6.9%
ERS - City's proportionate share of the net pension asset (liability)	$ (64,779,042)	(22,382,939)	13,017,835
PFRS - City's proportionate share of the net pension asset (liability)	$ (179,547,308)	(85,152,338)	(7,242,863)

(f) Pension Plan Fiduciary Net Position

The components of each current-year net pension liability of all participating employers as of March 31, 2025, were as follows:

	(Dollars in Millions) ERS	PFRS
Employers' total pension liability	$ (247,600)	(48,718)
Fiduciary net position	230,454	42,641
Employers' net pension liability	$ (17,146)	(6,077)
Ratio of fiduciary net position to the Employers' total pension liability	93.08%	87.53%

(g) Contributions to the Pension Plans

Employer contributions to ERS and PFRS are based on the System's fiscal year, which ends on March 31st. Retirement contributions as of December 31, 2025 represent the projected employer contributions for the period of April 1, 2025 through March 31, 2026 based on paid employee wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the year ended December 31, 2025 were $6,202,952 and $15,876,811, respectively.

(13) Other Postemployment Benefits Liability (OPEB)

(a) Plan Description and Benefits Provided

In addition to providing pension benefits, the City provides certain health care benefits for retired employees through a single employer defined benefit other postemployment benefits (OPEB) plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the City may vary according to length of service. The cost of providing postemployment health care benefits is shared between the City and the retired employee as noted below. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

(b) Employees Covered by Benefit Terms

At January 1, 2024, the valuation date, the following employees were covered by the benefit terms:

Retired employees	1,169
Active employees	1,174
	2,343

(c) Total OPEB Liability

The City's total OPEB liability of $300,572,447 was measured as of December 31, 2025, and was determined by an actuarial valuation as of January 1, 2024.

(d) Actuarial Assumptions

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	4.38%
Healthcare cost trend rates	7.00% for 2025, decreasing to an ultimate rate of 4.5% by 2036

The discount rate was based on S&P 20-year High Grade Rate Index.

Mortality rates were based on Pub-2010 with MP-2021 projection.

(13) Other Postemployment Benefits Liability (OPEB), Continued

(e) Changes in the Total OPEB Liability

The City's change in the total OPEB liability for the year ended December 31, 2025 is as follows:

Total OPEB liability - beginning of year	$308,709,856
Service cost	2,828,248
Interest	13,140,684
Changes in assumptions	(6,717,868)
Benefit payments	(17,388,473)
Total OPEB liability - end of year	$300,572,447

(f) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents 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 discount rate that is 1-percentage point lower (3.38%) or 1-percentage point higher (5.38%) than the current discount rate:

	1% Decrease (3.38%)	Current Assumption (4.38%)	1% Increase (5.38%)
Total OPEB liability	$ 345,181,421	300,572,447	266,120,899

(g) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates

The following presents 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 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 261,834,345	300,572,447	350,727,311

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the City recognized OPEB expense of $(7,379,049) in the government-wide financial statements. At December 31, 2025, 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
Changes of assumptions	$ 23,390,270	154,081,322

(13) Other Postemployment Benefits Liability (OPEB), Continued

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, Continued

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

Year ending	
2026	$ (23,347,981)
2027	(37,002,285)
2028	(23,941,427)
2029	(23,289,389)
2030	(19,869,884)
Thereafter	(3,240,086)
	$ (130,691,052)

(14) Leases

(a) Lease Receivable and Deferred Inflows of Resources

The City recorded lease receivables of $320,932 on the balance sheet - governmental funds and the statement of net position at December 31, 2025. The lease receivable is related to various agreements. Terms of these agreements range from three to ten years. The lease receivable was recognized at present value utilizing discount rates ranging from 1.74% and 2.33%.

Future receipts are expected to be applied as follows:

Year ending	Principal	Interest	Total Receipts
2026	$ 64,512	6,171	70,683
2027	72,169	4,815	76,984
2028	74,441	3,348	77,789
2029	38,105	2,114	40,219
2030	35,435	1,294	36,729
2031	36,270	459	36,729
Total	$ 320,932	18,201	339,133

Deferred inflows of resources of $299,624 was recorded at December 31, 2025 related to these leases. The deferred inflows of resources will be recognized as lease revenue over the terms of the lease agreements on a straight-line basis.

(14) Leases, Continued

(a) Lease Receivable and Deferred Inflows of Resources, Continued

Lease related revenue for the year ended December 31, 2025 are as follows:

Lease revenue - cell tower	$ 67,767
Interest revenue	7,386
Total	$ 75,153

(b) Right-to-Use Lease Assets and Lease Liabilities

The City leases building space and equipment under various leases, containing various terms and renewal options which extend through February 2027. These lease agreements have been recorded at the present value of the future minimum lease payments as of the inception date of the agreements. The lease liability is measured at rates ranging from 2.25% to 4.99%.

The following is a summary of lease assets and liabilities:

	Primary Government			
	Balance January 1	Additions	Deletions	Balance December 31
Lease assets:				
Building	$ 701,359	-	-	701,359
Equipment	220,293	-	-	220,293
	921,652	-	-	921,652
Less accumulated amortization:				
Building	424,703	144,343	-	569,046
Equipment	107,086	36,715	-	143,801
	531,789	181,058	-	712,847
Total lease assets, net	$ 389,863	(181,058)	-	208,805

The following table summarizes minimum future payment requirements as of December 31, 2025 under these leases:

Year ending	Principal	Interest	Total
2026	$ 182,505	5,359	187,864
2027	37,947	863	38,810
Total	$ 220,452	6,222	226,674

(15) Subscription-Based Information Technology Arrangements

The City has entered into SBITAs which have been recorded at the present value of the future minimum subscription payments as of the inception date of the agreements. The SBITA liability is measured at a rate of 4.82%. The following is a summary of the SBITA liabilities:

	Primary Government			
	Balance January 1	Additions	Deletions	Balance December 31
Subscription assets - SBITA	$ 693,335	1,715,622	-	2,408,957
Less accumulated amortization - SBITA	405,854	427,927	-	833,781
Total subscription asset, net	$ 287,481	1,287,695	-	1,575,176

As of December 31, 2025, future maturities relating to the SBITAs includes the following principal and interest payments:

Year ending	Principal	Interest	Total Payments
2026	$ 321,115	52,393	373,508
2027	334,243	39,265	373,508
2028	343,654	29,854	373,508
2029	353,330	20,178	373,508
2030	363,280	10,228	373,508
Total	$ 1,715,622	151,918	1,867,540

(16) Certain Risk Disclosures

(a) Concentrations - Workforce Covered by Collective Bargaining Agreements

The City's workforce has collective bargaining agreements which dictate employment terms including payroll and related expenditures as well as benefits. The following a summary of the City's significant collective bargaining agreements:

Collective bargaining unit	Expiration date
Albany Police Supervisors' Association	December 31, 2026
Albany Permanent Firefighter Association	December 31, 2026

Other collective bargaining agreements are maintained by the City and available upon request.

(16) Certain Risk Disclosures, Continued

(b) Constraints

(i) Limitations on Raising Revenue

The City's ability to raise revenue through property taxes is subject to Article Ill of the New York State Constitution and the Real Property Tax Law, including the property tax levy limit ("tax cap") imposed by Chapter 97 of the Laws of 2011. For most cities, the annual increase in the property tax levy cannot exceed the lesser of 2% or the rate of inflation, unless a local law is passed and approved by a 60% supermajority of the City Common Council or governing body.

(ii) Limitations on Spending

Expenditures must be authorized in accordance with the annual budget adopted by the City Common Council, pursuant to New York State General Municipal Law (GML) and local charter provisions. The City may not incur expenditures in excess of appropriations, except for legally authorized emergency expenditures.

(iii) Limitations on Incurrence of Debt

The City's authority to incur indebtedness is governed by Article VIII of the New York State Constitution, the Local Finance Law, and local charters or ordinances. The City is subject to a constitutional debt limit, which is 7% of the five-year average full valuation of taxable real property within the City. All borrowings must be authorized by the City Common Council and, in some cases, by public referendum. The City is also subject to statutory provisions governing issuance procedure, permission purposes, and repayment requirements.

(17) Economic Condition

The ability of the City to maintain sufficient fund balance is highly dependent upon real property taxes, State aid and feasible budgetary estimates. Additionally, in recent years, the City received COVID-19 related Federal funding and as of December 31, 2025, this COVID-19 related funding has been fully utilized. The City has significant fund balance deficits as of December 31, 2025 as well as utilized $3,766,637 of General Fund reserves in 2025. The City will evaluate how to manage these existing expenditures and seek additional funding from the State.

(18) Correction of Errors

The City made corrections to certain December 31, 2024 balances. Those changes are as follows:

(a) Governmental activities - deferred outflows of resources related to pensions - ERS and PFRS did not record contributions to the measurement date. This understated net position.

(b) Governmental activities - due to retirement systems related to the annual pension invoices. ERS and PFRS accruals were reversed converting the governmental funds to the governmental activities. This overstated net position.

(18) Correction of Errors, Continued

(c) Albany Water Board and Albany Municipal Water Finance Authority - due to/from component units and due to/from primary government did not agree to each other. This overstated net position.

The impact of these corrections for the year ended December 31, 2024 are as follows:

Government Activities

	December 31, 2024, as previously stated	Restatement	December 31, 2024, as restated
Deferred outflows of resources - pension - ERS	$ 14,101,139	4,329,029	18,430,168
Deferred outflows of resources - pension - PFRS	$ 50,736,516	12,767,160	63,503,676
Due to retirement systems	$ -	(14,869,198)	(14,869,198)
Net position - unrestricted (deficit)	$ (400,245,928)	2,226,991	(398,018,937)

Albany Water Board and Albany Municipal Finance Authority

	December 31, 2024, as previously stated	Restatement	December 31, 2024, as restated
Due from primary government	$ 3,197,035	(3,197,035)	-
Due to primary government	$ -	(1,450,932)	(1,450,932)
Net position - unrestricted	$ (75,626,751)	(4,647,967)	70,978,784

(19) Change to the Financial Reporting Entity

The financial statements as of December 31, 2024, excluded the financial information of the CBID and the BID. However, this financial activity is material to the aggregate discretely presented component units. This change in financial reporting entity resulted in December 31, 2024 net position of $1,475,841 and $948,999 for the CBID and the BID, respectively.

CITY OF ALBANY, NEW YORK
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget to Actual - General Fund
Year ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance
Revenue:				
Real property taxes	$ 62,731,000	62,731,000	62,261,752	(469,248)
Real property tax items	23,944,000	23,944,000	21,209,798	(2,734,202)
Nonproperty tax items	49,973,000	49,973,000	47,299,355	(2,673,645)
Departmental income	12,080,665	12,080,665	11,028,711	(1,051,954)
Use of money and property	1,332,400	1,332,400	2,393,509	1,061,109
Licenses and permits	6,631,480	6,631,480	6,321,933	(309,547)
Fines and forfeitures	12,721,000	12,721,000	9,661,121	(3,059,879)
State aid	39,883,143	39,883,143	38,342,858	(1,540,285)
Federal aid	5,572,376	5,572,376	1,496,609	(4,075,767)
Miscellaneous	6,448,076	6,448,076	5,795,442	(652,634)
Total revenue	221,317,140	221,317,140	205,811,088	(15,506,052)
Expenditures:				
General government support	48,125,706	48,125,706	52,679,182	(4,553,476)
Public safety	90,341,898	90,341,898	88,795,617	1,546,281
Health	223,000	223,000	224,325	(1,325)
Transportation	1,430,000	1,430,000	1,428,950	1,050
Economic assistance and opportunity	2,913,976	2,913,976	2,622,541	291,435
Culture and recreation	5,396,086	5,396,086	5,104,665	291,421
Home and community services	1,076,501	1,076,501	1,105,909	(29,408)
Employee benefits	62,057,554	62,057,554	62,413,872	(356,318)
Debt service:				
Principal	11,965,000	11,965,000	11,517,356	447,644
Interest	5,172,546	5,172,546	5,107,282	65,264
Total expenditures	228,702,267	228,702,267	230,999,699	(2,297,432)
Excess of expenditures over revenue	(7,385,127)	(7,385,127)	(25,188,611)	(17,803,484)
Other financing sources (uses):				
Issuance of SBITA	-	-	1,715,622	1,715,622
Transfers in	9,320,127	9,320,127	4,095,176	(5,224,951)
Transfers out	(1,935,000)	(1,935,000)	(3,160,001)	(1,225,001)
Total other financing sources (uses)	7,385,127	7,385,127	2,650,797	(4,734,330)
Net change in fund balance	$ -	-	(22,537,814)	(22,537,814)
Fund balances (deficit) at beginning of year			14,593,010	
Fund balances (deficit) at end of year			$ (7,944,804)	

CITY OF ALBANY, NEW YORK
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget to Actual - Special Revenue Fund
Year ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance
Revenue:				
State aid	$ 789,840	789,840	1,098,683	308,843
Federal aid	2,874,322	2,874,322	2,718,985	(155,337)
Total revenue	3,664,162	3,664,162	3,817,668	153,506
Expenditures:				
Economic assistance and opportunity	3,046,082	3,046,082	3,022,412	23,670
Employee benefits	698,080	698,080	806,716	(108,636)
Total expenditures	3,744,162	3,744,162	3,829,128	(84,966)
Excess of expenditures over revenue	(80,000)	(80,000)	(11,460)	68,540
Other financing sources - transfers in	80,000	80,000	-	(80,000)
Net change in fund balance	$ -	-	(11,460)	(11,460)
Fund balances (deficit) at beginning of year			(889,302)	
Fund balances (deficit) at end of year			$ (900,762)	

CITY OF ALBANY, NEW YORK
Required Supplementary Information
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Year ended December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:								
Service cost	$ 2,828,248	2,866,226	2,873,548	2,569,300	6,946,141	6,872,668	5,092,227	4,083,647
Interest	13,140,684	13,200,723	11,661,399	20,645,280	10,148,029	12,144,139	17,248,279	18,084,292
Changes in assumptions	(6,717,868)	(11,832,824)	13,885,655	(201,293,228)	(3,108,159)	(109,166,262)	111,742,345	-
Benefit payments	(17,388,473)	(16,675,228)	(15,642,337)	(14,909,764)	(15,301,430)	(16,738,048)	(15,089,450)	(14,999,483)
Net change in total OPEB liability	(8,137,409)	(12,441,103)	12,778,265	(192,988,412)	(1,315,419)	(106,887,503)	118,993,401	7,168,456
Total OPEB liability - beginning	308,709,856	321,150,959	308,372,694	501,361,106	502,676,525	609,564,028	490,570,627	483,402,171
Total OPEB liability - ending	$300,572,447	308,709,856	321,150,959	308,372,694	501,361,106	502,676,525	609,564,028	490,570,627
Covered payroll	$ 82,314,227	NA	NA	NA	NA	NA	NA	NA
Total OPEB liability as a percentage of covered payroll	365%	NA	NA	NA	NA	NA	NA	NA

Notes to schedule:

There are no assets accumulated in a trust that meet the criteria of GASB Statement No. 75, paragraph 4.

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

	2025	2024	2023	2022	2021	2020	2019	2018
Discount rate	4.38%	4.22%	3.88%	4.18%	2.05%	2.02%	2.90%	3.80%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the City is presenting information for those years for which information is available.

CITY OF ALBANY, NEW YORK
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability - PFRS
Year ended December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
The City's proportion of the net pension asset/liability	1.4012555%	1.4611560%	1.5867510%	1.3836810%	1.2894060%	1.3753240%	1.3893980%	1.3697180%	1.4545270%	1.4087600%
The City's proportionate share of the net pension (asset) liability	$(85,152,338)	(69,300,068)	(87,437,485)	(7,859,924)	22,387,643	(73,510,222)	(23,301,086)	(13,844,521)	(30,147,273)	(41,710,392)
The City's covered payroll	$ 56,710,432	56,401,747	60,492,673	50,665,670	49,506,858	49,687,812	50,033,104	47,463,780	49,618,689	45,463,467
The City's proportionate share of the net pension asset/liability as a percentage of covered payroll	150.15%	122.87%	144.54%	15.51%	45.22%	147.94%	46.57%	29.17%	60.76%	91.74%
Plan fiduciary net position as a percentage of the total pension liability	87.53%	89.72%	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.50%	90.20%

CITY OF ALBANY, NEW YORK
Required Supplementary Information
Schedule of City's Pension Contributions - PFRS
Year ended December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$15,876,811	15,028,974	15,468,543	13,586,250	11,311,924	10,821,054	10,855,351	10,718,641	12,145,867	10,552,391
Contribution in relation to the contractually required contribution	15,876,811	15,028,974	15,468,543	13,586,250	11,311,924	10,821,054	10,855,351	10,718,641	12,145,867	10,552,391
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
City's covered payroll	$ 56,710,432	56,401,747	60,492,673	50,665,670	49,506,858	49,687,812	50,033,104	47,463,780	49,618,689	45,463,467
Contribution as a percentage of covered payroll	28.00%	26.65%	25.57%	26.82%	22.85%	21.78%	21.70%	22.58%	24.48%	23.21%

CITY OF ALBANY, NEW YORK
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Asset/Liability - ERS
Year ended December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
The City's proportion of the net pension asset/liability	0.1305453%	0.1284900%	0.1235640%	0.1091420%	0.1102880%	0.1097370%	0.1120030%	0.1127000%	0.1137030%	0.1195500%
The City's proportionate share of the net pension (asset) liability	$(22,382,939)	(18,918,881)	(26,497,054)	8,921,872	(109,818)	(29,058,918)	(7,935,785)	(3,637,344)	(10,683,797)	(19,188,066)
The City's covered payroll	$ 44,732,142	38,014,783	35,215,724	30,458,590	31,030,542	29,446,468	28,973,481	28,245,346	27,923,236	27,697,230
The City's proportionate share of the net pension asset/liability as a percentage of covered payroll	50.04%	49.77%	75.24%	29.29%	0.35%	98.68%	27.39%	12.88%	38.26%	69.28%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

CITY OF ALBANY, NEW YORK
Required Supplementary Information
Schedule of City's Pension Contributions - ERS
Year ended December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 6,202,952	4,819,311	4,569,904	4,416,571	4,110,264	3,924,727	3,968,528	3,982,586	4,880,229	4,859,954
Contribution in relation to the contractually required contribution	6,202,952	4,819,311	4,569,904	4,416,571	4,110,264	3,924,727	3,968,528	3,982,586	4,880,229	4,859,954
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
City's covered payroll	$ 44,732,142	38,014,783	35,215,724	30,458,590	31,030,542	29,446,468	28,973,481	28,245,346	27,923,236	27,697,230
Contribution as a percentage of covered payroll	13.87%	12.68%	12.98%	14.50%	13.25%	13.33%	13.70%	14.10%	17.48%	17.55%

CITY OF ALBANY, NEW YORK
Combining Statement of Net Position - Nonmajor Discretely Presented Component Units
December 31, 2025

	Central District Management Association, Inc.*	Downtown Albany Restoration Program, Inc.*	Total Nonmajor Component Units
Current assets:			
Cash and equivalents - unrestricted	$ 187,655	550,179	737,834
Investments	-	236,129	236,129
Accounts receivable, net	11,544	37,121	48,665
Grants receivable	30,084	-	30,084
Due from primary government	-	336,103	336,103
Prepaid expenses	4,532	31,599	36,131
Total current assets	233,815	1,191,131	1,424,946
Noncurrent assets - capital assets, net	2,788,100	8,918	2,797,018
Total assets	3,021,915	1,200,049	4,221,964
Current liabilities:			
Accounts payable	55,280	59,828	115,108
Accrued expenses	5,360	97,321	102,681
Accrued interest	3,941	-	3,941
Unearned revenue	64,692	25,000	89,692
Loans, payable, current portion	41,142	-	41,142
Total current liabilities	170,415	182,149	352,564
Long-term liabilities - loan payable, noncurrent portion	1,597,774	-	1,597,774
Total liabilities	1,768,189	182,149	1,950,338
Net position (deficit):			
Net invested in capital assets	1,149,184	8,918	1,158,102
Restricted	66,906	58,337	125,243
Unrestricted (deficit)	37,636	950,645	988,281
Total net position (deficit)	$ 1,253,726	1,017,900	2,271,626

* As of December 31, 2024

See accompanying notes to financial statements.

CITY OF ALBANY, NEW YORK
Combining Statement of Activities - Nonmajor Discretely Presented Component Units
Year ended December 31, 2025

	Central District Management Association, Inc.*	Downtown Albany Restoration Program, Inc.*	Total Nonmajor Component Units
Operating revenue	$ 956,303	1,845,177	2,801,480
Operating expenses:			
Costs of services	1,113,910	1,774,600	2,888,510
Depreciation	64,999	11,625	76,624
Miscellaneous	-	-	-
Total operating expenses	1,178,909	1,786,225	2,965,134
Excess (deficiency) of operating revenue over expenses	(222,606)	58,952	(163,654)
Other nonoperating revenue - interest income	491	9,949	10,440
Change in net position	(222,115)	68,901	(153,214)
Net position at beginning of year, as previously stated	-	-	-
Change to the financial reporting entity (note 19)	1,475,841	948,999	2,424,840
Net position at beginning of year, as restated	1,475,841	948,999	2,424,840
Net position at end of year	$ 1,253,726	1,017,900	2,271,626

* For the year ended December 31, 2024

See accompanying notes to financial statements.

EFPR GROUP, CPAs PLLC
Certified Public Accountants

6390 Main Street, Suite 200
Williamsville, New York 14221

P 716.634.0700
TF 800.546.7556
W EFPRadvisory.com

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

Honorable Mayor and Administration
City of Albany, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate presented fund information of City of Albany, New York (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 25, 2026. Our report includes a reference to other auditors who audited the financial statements of the Albany Parking Authority, the City of Albany Industrial Development Agency, the Albany Port District Commission, the City of Albany Capital Resource Corporation, the Lark Street Area District Management Association, Inc., the Central District Management Association, Inc., the Downtown Albany Restoration Program, Inc., or the Albany Community Development Agency, as described in our report on the City's financial statements. The financial statements of the Central District Management Association, Inc. and the Downtown Albany Restoration Program, Inc. were not audited in accordance with Government Auditing Standards, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Central District Management, Inc. or the Downtown Albany Restoration Program, Inc. or that are reported on separately by those auditors who audited the financial statements of the component units mentioned above.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting (internal control) as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 Response to the Finding

Government Auditing Standards required the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 25, 2026

EFPR GROUP, CPAs PLLC
Certified Public Accountants

6390 Main Street, Suite 200
Williamsville, New York 14221

P 716.634.0700
TF 800.546.7556
W EFPRadvisory.com

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

Honorable Mayor and Administration
City of Albany, New York:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Albany, New York's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Other Matters - Federal Expenditures Not Included in the Compliance Audit

The City's basic financial statements include the operations of its component units which are not included in the City's schedule of expenditures of federal awards during the year ended December 31, 2025. Our audit, described in the Opinion on Each Major Federal Program section, did not include the operations of the component units because the component units engaged other auditors to perform their annual audits.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

EFPR Group, CPAs, PLLC

Williamsville, New York
September 25, 2026

CITY OF ALBANY, NEW YORK
Schedule of Expenditures of Federal Awards
Year ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture - passed through American Forests - Urban and Community Forestry Program	10.675	24-CA-11132544-010-027	$ 688,411	-
U.S. Department of Housing and Urban Development:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	75,493	-
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251	B-23-CP-NY-1172	400,000	-
Total U.S. Department of Housing and Urban Development			475,493	-
U.S. Department of the Interior - Historical Preservation Fund Grants-In-Aid	15.904	P24AP00333	1,500,000	-
U.S. Department of Labor - passed through New York State Department of Labor:				
WIOA Cluster:				
WIOA Adult Program	17.258	N/A	313,115	-
WIOA Youth Activities	17.259	N/A	579,950	-
WIOA Dislocated Worker Formula Grants	17.278	N/A	720,254	-
Total WIOA Cluster			1,613,319	-
Youthbuild	17.274	N/A	53,825	-
Total U.S. Department of Labor			1,667,144	-
U.S. Department of Justice:				
Bulletproof Vest Partnership Program	16.607	N/A	37,835	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02335-JAGX	22,865	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03666-JAGX	23,664	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-04376-SMTP	28,305	-
Total Edward Byrne Memorial Justice Assistance Grant Program			74,834	-
Total U.S. Department of Justice			112,669	-
U.S. Department of Transportation:				
Passed through New York State Department of Transportation:				
Highway Planning and Construction	20.205	1760.92	318,731	-
Highway Planning and Construction	20.205	1756.64.121	137,828	-
Total Highway Planning and Construction			456,559	-
Passed through New York State Governor's Traffic Safety Committee - State and Community Highway Safety	20.600	N/A	4,357	-
Total U.S. Department of Transportation			460,916	-
U.S. Department of the Treasury - passed through Rensselaer County Employment and Training Career Center - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	247,038	-
U.S. Department of Health and Human Services - passed through New York State Office of Temporary and Disability Assistance - Temporary Assistance for Needy Families	93.558	N/A	719,578	-
U.S. Department of Homeland Security - passed through New York State Division of Homeland Security and Emergency Services:				
Homeland Security Grant Program	97.067	WM21160217	14,792	-
Homeland Security Grant Program	97.067	WM22190102	301,361	-
Total Homeland Security Grant Program			316,153	-
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2020-FF-01118	220,488	-
Total U.S. Department of Homeland Security			536,641	-
Total Expenditures of Federal Awards			$ 6,407,890	-

See accompanying notes to schedule of expenditures of federal awards.

CITY OF ALBANY, NEW YORK

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2025

(1) Summary Of Accounting Policies

(a) Scope of Single Audit

The accompanying Schedule of Expenditures of Federal Awards presents all activity of federal award programs of the City of Albany, New York (the City) (primary government) but does not include the activity of the federal awards programs, if any, of the component units for the year ended December 31, 2025. Only the primary government's awards received directly from federal and state agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

(b) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting used by the City in reporting these programs to the federal government.

(2) Noncash Assistance

The City had no awards expended in the form of noncash assistance during the year ended December 31, 2025.

(3) Loans And Loan Guarantees

The City had no federal loans or federal loan guarantees outstanding as of December 31, 2025.

(4) Indirect Costs

Indirect costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented. The de minimis election allows the City to allocate 10% of indirect costs to grants with periods ending on or before September 30, 2024 and 15% of indirect costs to grants with periods after September 30, 2024. The City does not use the 10% de minimis election.

CITY OF ALBANY, NEW YORK

Schedule of Findings and Questioned Costs

Year ended December 31, 2025

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
1. Material weakness(es) identified?	x Yes ____ No
2. Significant deficiency(ies) identified?	____ Yes x None reported
3. Noncompliance material to financial statements noted?	____ Yes x No

Federal Awards:

Internal control over major programs:	
4. Material weakness(es) identified?	____ Yes x No
5. Significant deficiency(ies) identified?	____ Yes x None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)?	____ Yes x No
7. The City's major programs audited were:	

Name of Federal Programs	Assistance Listing Number
Historical Preservation Fund Grants-In-Aid	15.904
WIOA Cluster	17.258/17.259/17.278

8. Dollar threshold used to distinguish between Type A and Type B programs.	$ 1,000,000
9. Auditee qualified as low-risk auditee?	____ Yes x No

Part II - FINANCIAL STATEMENT FINDINGS SECTION

See Finding on page 70.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings or questioned costs.

Part II - FINANCIAL STATEMENT FINDINGS SECTION:

(2025-001) Significant Audit Adjusting Journal Entries

Criteria - Management is responsible for maintaining accounting records that are accurate and can be audited.

Condition - The accounting records did not accurately reflect appropriate balances for pension related balance sheet accounts.

Cause - In prior years, contributions subsequent to the measurement date related to pensions were not recorded. Additionally, governmental accrued pension liabilities were not recorded on the government-wide statement of net position.

Effect of Condition - A prior period adjustment was recorded to restate the December 31, 2024 net position on the government-wide statement of net position.

Repeat Finding - This is a repeat finding of item 2024-001 as reported for the year ended December 31, 2024.

Recommendation - We recommend that pension related balance sheet accounts be reconciled at year-end and ensure that the records have proper supporting documentation.

View of Responsible Officials and Planned Corrective Actions - See corrective action plan on page 72.

CITY OF ALBANY, NEW YORK

Status of Prior Year Audit Findings

Year ended December 31, 2025

(2024-001) Significant Audit Adjusting Journal Entries

Condition - The accounting records did not accurately reflect appropriate balances for several of the asset and liability accounts.

Status - This finding is repeated as finding 2025-001.

CITY OF ALBANY, NEW YORK

Corrective Action Plan

Year ended December 31, 2025

Name of Auditee: City of Albany, New York

Name of Audit Firm: EFPR Group, CPAs, PLLC

Period Covered by the Audit: Year ended December 31, 2025

CAP Prepared by: Darius Shahinfar, Treasurer

Phone: (518) 434-5036

(1) Audit Finding 2025-001 - Significant Audit Adjusting Entries

(a) Implementation Plan of Actions - The City will reconcile significant asset and liability accounts at year end.

(b) Implementation Date - This will be implemented for the year ending December 31, 2026.

(c) Persons Responsible for Implementation - The Treasurer.