



CITY OF AUBURN CALIFORNIA

2014



Comprehensive Annual Financial Report

Fiscal Year Ended
June 30, 2014

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**City of Auburn,
California**

**Comprehensive Annual
Financial Report**

**For the Year Ended
June 30, 2014**

**Prepared By:
Administrative Services Department
Dylan Feik, Director**

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CITY OF AUBURN
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014

Table of Contents

	Page
INTRODUCTORY SECTION	
Letter of Transmittal.	I-VI
Government Finance Officer’s Association Certificate of Achievement.	VII
List of Officials.	VIII-IX
Organizational Chart.	X
FINANCIAL SECTION	
Independent Auditor’s Report.	1-3
Management’s Discussion and Analysis (Required Supplementary Information - Unaudited).	4-18
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.	19
Statement of Activities.	20
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.	21
Reconciliation of the Governmental Funds Balance Sheet to the Government- Wide Statement of Net Position - Governmental Activities.	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities.	24
Proprietary Funds:	
Statement of Net Position.	25
Statement of Revenues, Expenses, and Changes in Net Position.	26
Statement of Cash Flows	27-28
Fiduciary Funds:	
Statement of Fiduciary Net Position.	29
Statement of Changes in Fiduciary Net Position.	30
Notes to Basic Financial Statements.	31-60
Required Supplementary Information (Unaudited):	
Schedule of Funding Progress - Other Postemployment Benefits (OPEB).	61
Budgetary Comparison Schedule - General Fund.	62-63
Budgetary Comparison Schedule - Transportation.	64
Notes to Budgetary Comparison Schedule.	65-66

CITY OF AUBURN
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014

Table of Contents

	Page
FINANCIAL SECTION (CONTINUED)	
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.	68
Special Revenue Funds:	
Narrative Summary.....	69-70
Combining Balance Sheet.....	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.	72
Budgetary Comparison Schedules:	
State Gas Tax.....	73
Transit.....	74
Property Seizures.....	75
HOME Housing Rehabilitation & First Time Homebuyer.....	76
Small Business Loans.....	77
Solid Waste Management.....	78
Office of Traffic Safety.....	79
State Law Enforcement Grant.....	80
Facilities and Equipment.....	81
Miscellaneous Grants.....	82
Capital Projects Funds:	
Narrative Summary.....	83
Combining Balance Sheet.....	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.	85
Budgetary Comparison Schedule - Auburn School Park Preserve.....	86
Fiduciary Funds:	
Narrative Summary.....	87
Private Purpose Trust Funds:	
Combining Statement of Fiduciary Net Position.....	88
Combining Statement of Changes in Fiduciary Net Position.....	89
Agency Funds:	
Combining Statement of Assets and Liabilities.....	90
Combining Statement of Changes in Assets and Liabilities.....	91-92

CITY OF AUBURN
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014

Table of Contents

	Page
STATISTICAL SECTION (UNAUDITED)	
Narrative Summary.	93
Financial Trend Information:	
Net Position by Component - Last Ten Fiscal Years.	94
Changes in Net Position - Last Ten Fiscal Years.	95-96
Fund Balances - Governmental Funds - Last Ten Fiscal Years.	97
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years	98
Revenue Capacity Information:	
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years.	99
Property Tax Rates - All Overlapping Governments - Last Ten Fiscal Years.	100
Principal Property Taxpayers - Current Year and Eight Years Ago.	101
Property Tax Levies and Collections - Last Ten Fiscal Years.	102
Debt Capacity Information:	
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years.	103
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years.	104
Direct and Overlapping Bonded Debt.	105
Computation of Legal Bonded Debt Margin.	106
Demographic and Economic Information:	
Demographic and Economic Statistics - Last Ten Calendar Years.	107
Principal Employers.	108
Operating Information:	
Full-Time and Part-Time City Government Employees - Last Ten Fiscal Years.	109
Operating Indicators - Last Ten Fiscal Years.	110
Capital Asset Statistics - Last Ten Fiscal Years.	111

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INTRODUCTORY SECTION

- **Letter of Transmittal**
- **Government Finance Officer's
Association Certificate of Achievement**
- **City Council and Administrative
Personnel**
- **Organizational Chart**

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City of Auburn

1225 Lincoln Way, Auburn CA 95603 • (530) 823-4211 • fax (530) 885-5508
www.auburn.ca.gov

January 29, 2015

To the Honorable Mayor, City Council and Citizens of Auburn:

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF AUBURN

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Auburn for the fiscal year July 1, 2013 through June 30, 2014. Although addressed to the City's governing body and its citizens, the CAFR is intended also to provide relevant financial information to creditors, investors, and other interested parties. This transmittal letter provides a summary of City of Auburn finances, services, achievements and economic prospects for readers without a technical background. Those wishing a more detailed discussion of the City's financial results should refer to Management's Discussion and Analysis (MD&A) contained in the Financial Section of the CAFR.

The City of Auburn's management is solely responsible for the accuracy of the information contained in this report, the adequacy of its disclosures, and the fairness of its presentation. We believe this CAFR to be complete and reliable in all material respects. To provide a reasonable basis for making this representation, the City has established a system of internal controls designed to protect City assets from loss, to identify and record transactions accurately, and to compile the information necessary to produce financial statements in conformity with generally accepted accounting principles.

The City has contracted with Smith & Newell, CPAs, a firm of Certified Public Accountants licensed to practice in the State of California, to perform the annual independent audit. The auditors expressed an opinion that the City's financial statements for fiscal year 2013-14 are fairly stated and in compliance with accounting principles generally accepted in the United States. This conclusion is the most favorable kind and is commonly known as an "unqualified" or "clean" opinion. The independent auditor's report is included in the Financial Section of this report.

REPORTING ENTITY

The City of Auburn is a general-law City incorporated under California law, first in 1860 and again on May 2, 1888. The City operates under a council-manager form of government. The City's five Council Members are elected at-large and serve overlapping four-year terms. Annually, the City's five Council Members elect the position of Mayor and Mayor Pro Tempore, who serve one-year terms in this capacity. All elections are conducted on a non-partisan basis. The City Manager is appointed by the Council and serves as the chief administrative officer of the organization. The City Manager is responsible for administration of City affairs, day-to-day operations, and implementation of Council policies. The City's fiscal year begins on July 1 and ends June 30 of the following year.

The City provides a full range of municipal services including: police and fire protection; the construction and maintenance of streets and infrastructure; land use planning and zoning; building safety regulation and public inspection; and general administrative services. The City also operates the Auburn Municipal Airport and a wastewater treatment facility.

The City of Auburn covers approximately 7.5 square miles on the western slope of the Sierra Nevada Range and has an estimated population of 13,660. At the crossroads of Interstate 80 and Highway 49, Auburn is the county seat of Placer County and an important retail trade center. The City of Auburn and surrounding Auburn areas have emerged as a destination point for those enjoying a variety of activities including whitewater rafting, horseback riding, and hiking to the historic ambiance of the Old Town and Downtown areas providing unique shopping and dining experiences. In 2003, the Auburn City Council passed an official measure proclaiming Auburn as the Endurance Capital of the World. Auburn is home to some of the most challenging and historic endurance events on the planet, including the Auburn International Triathlon, the Tevis Cup Ride, and the Western States 100-mile Endurance Run and many other major events and activities in "the Endurance Capital of the World."

This report includes all funds of the City and the Auburn Public Finance Authority which are all governmental organizations that are controlled by or dependent upon actions taken by the City Council.

ECONOMIC CONDITION AND OUTLOOK

Fiscal Year 2013-14 ended with promising, though modest signs of improvement in City revenue growth. After enduring many consecutive years of operating shortfalls in the City's General Fund during the recent economic downturn, the City realized a small surplus during Fiscal Year 2013-14 as a result of prudent operational and fiscal decision making. Fiscal Year 2013-14 General Fund budget balanced revenues and expenditures and anticipated adding an estimated \$197,000 back to the City's reserves. Due to increased revenues and decreased expenditures, the General Fund realized a \$453,316

surplus in Fiscal Year 2013-14. The City is positioning itself to improve and enhance its viability in coming years.

The economic outlook for Auburn remains heavily affected by the financial stability at the State level of government. During the 2014 legislative session, Senate Bill 983 was introduced which would have had a devastating impact to the City's general fund revenue stream. While the proposed bill eventually was defeated, it left great concern for City leaders to deal with State actions that adversely affect the City's finances. As the State budget shows positive signs of recovery and increased tax revenues, the City's own budget outlook improves as well.

In February 2014, the California Public Employees Retirement System, or CalPERS, Board approved new actuarial assumptions to reflect the fund's recent experience. Most notably is the change to a new 20-year "mortality rate projection" which applies to all CalPERS groups. This new assumption will drastically impact the City of Auburn's finances over the course of the next five years. Management will be diligent in addressing the financial burden that pensions now place on municipal budgets across the State.

The City's 2014-15 Budget assumes continued improvement in the City's sales tax revenues as well as an anticipated rise in property tax values. Assessed property values, which directly impact the amount of property tax collected, are expected to increase by 5.5% when compared to Fiscal Year 2013-14 values. Sales tax is showing signs of improvement and is expected to be 3% higher than those collected in the previous year, primarily due to sustained increases in collections, a sign of the improving economy. Intergovernmental revenues are also expected to remain with the exception of a reduction in a SAFER grant. The Staffing for Adequate Fire and Emergency Response grant, or SAFER grant, ended in September 2014. Continuing improvement in City building permit revenues has also provided an additional indication of the improvement in the local economy.

During 2014, the City of Auburn experienced new city leadership including a new City Council and new city management. The organization is committed to bringing new ideas and solutions to improve and enhance service delivery of existing programs while confronting the challenges of a seemingly ever-changing economic environment. To this end, the City will continue to evaluate citywide programs and services consistent with cost effectiveness and efficiency.

SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

Highlights of activities and accomplishments for the fiscal year ended June 30, 2014 include the following:

- ❖ The successful construction of the Palm Avenue Sidewalk Project which added sidewalks, a bicycle lane, and medians to a high traffic intersection near a school. The project was funded largely by \$900,000 grants for Safe Routes to School, Congestion Mitigation Air Quality, and City funding.

- ❖ Completed over \$1.4m in sewer repairs to reduce infiltration and inflow (I&I) into the City's sanitary sewer system.
- ❖ Purchased and installed on-board cameras for the City's transit operations.
- ❖ The City completed an Americans with Disabilities Act (ADA) study of municipal buildings to identify enhancements and/or alterations to public facilities.
- ❖ The City of Auburn Police Department formed a committee of selected police and fire agencies to identify the requirements for a new regional Computer-Aided Dispatch and Records Management System (CAD-RMS) - the goals of which are to increase safety, decrease police and fire response times, reduce labor costs, streamline reporting and improve communications.

LONG-TERM FINANCIAL PLANNING AND INTIATIVES

Public Works:

Capital Improvement Plan: The budget adopted for Fiscal Year 2014-15 includes more than \$9.2 million appropriated for capital projects in the City's Airport, Sewer and Transportation and General funds. This amount represents more than a 300% increase over capital investments made in Fiscal Year 2013-14. The City is attempting to identify alternative funding sources for public infrastructure including streets and sidewalks.

Community Development:

Community Development Block Grant Housing Rehabilitation and First-Time Homebuyer / Economic Development Loans: The City of Auburn will continue to offer housing rehabilitation and first-time homebuyer and economic development funds made available by a state grant to prospective citizens.

Community Development General Plan Update: The City of Auburn is expected to begin updating the City's General Plan consistent with State requirements.

Public Safety:

Consolidation: In December 2014, the City's fire chief retired which created an opportunity to consolidate management positions and retain "on-the-ground" public safety positions. The chief of police was appointed as the "interim director of emergency services," to oversee the operations and administration of the police and fire departments.

Fire Department FEMA Staffing for Adequate Fire and Emergency Response "SAFER" Grant: In September 2014, the City of Auburn Fire Department would no longer receive FEMA funding for 5 temporary positions. This funding, known as the SAFER grant, allowed the City to employ additional full-time firefighters. Conscious of public safety concerns regarding wildfires during 2014, the City Council retained all five positions through December 31. Beginning in January 2015, the department will retain three of the positions and may reapply for SAFER funds in the future.

Police Department – CAD-EMS Upgrade: The City of Auburn Police Department is nearing completion on implementation of a regional CAD-EMS System.

General Government:

Administrative Services – Information Technology Enhancements and Upgrades: The City of Auburn Administrative Services Department will work to implement upgrades to its technology infrastructure including an overhaul of the City website, installation of new server technology, and further upgrades to the City’s existing suite of applications.

Administrative Services – Health and Benefits: The City of Auburn is anticipating an 8% increase to employee health premiums in Fiscal Year 2014-15. Over the last several years, the City has worked with labor unions to increase the employee contribution towards health care costs, resulting in a lesser financial impact to the City. Also, management remains diligent in monitoring changes to pension obligations. In Fiscal Year 2014-15, the City budgeted \$1,101,919 for employee pension costs, an increase of 32.7% since Fiscal Year 2010-11. According to CalPERS actuarial reports, the City should anticipate, and prepare for, pension increases between 20-30% over the next five years.

FINANCIAL INFORMATION

The City’s management staff is responsible for establishing and maintaining internal controls that safeguard the assets of the government from loss, theft, or misuse and allow the compilation of adequate accounting data for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed its likely benefits and that the evaluation of costs and benefits is subject to management estimates and judgments.

Budgetary Controls

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the majority of the funds are included in the annual appropriated budget. Expenditure activities for certain funds are not considered during the annual budget process due to their reliance on revenues received. Budgetary control within each department is monitored at the major object level (employee salaries and benefits, services and supplies, other charges and capital assets). The level of budgetary control, at which expenditures in budgeted funds cannot legally exceed the budgeted amount, is at the departmental level. This means that the expenditures cannot legally exceed the amount appropriated by the City Council. If necessary, staff recommends budgetary changes during periodic financial status reports to the City Council.

The City continues to meet its responsibility for sound financial management as demonstrated by the statements and schedules included in the financial section of this report.

AWARD AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate for Excellence in Financial Reporting to the City of Auburn for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This award, the eighth consecutive award for the City, recognizes the City's conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirement and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this CAFR represents the culmination of a concerted team effort by the entire staff of the Administrative Services Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In addition, staff in all City departments should be recognized for their timely and positive response to the requests for detailed information necessary to prepare the annual audit. The role of Smith & Newell, CPAs should also be acknowledged as a significant contribution.

Finally, we wish to express our sincere appreciation to the Mayor and City Council for providing policy direction and a firm foundation of support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Tim Rundel
City Manager



Dylan Feik
Administrative Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Auburn
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

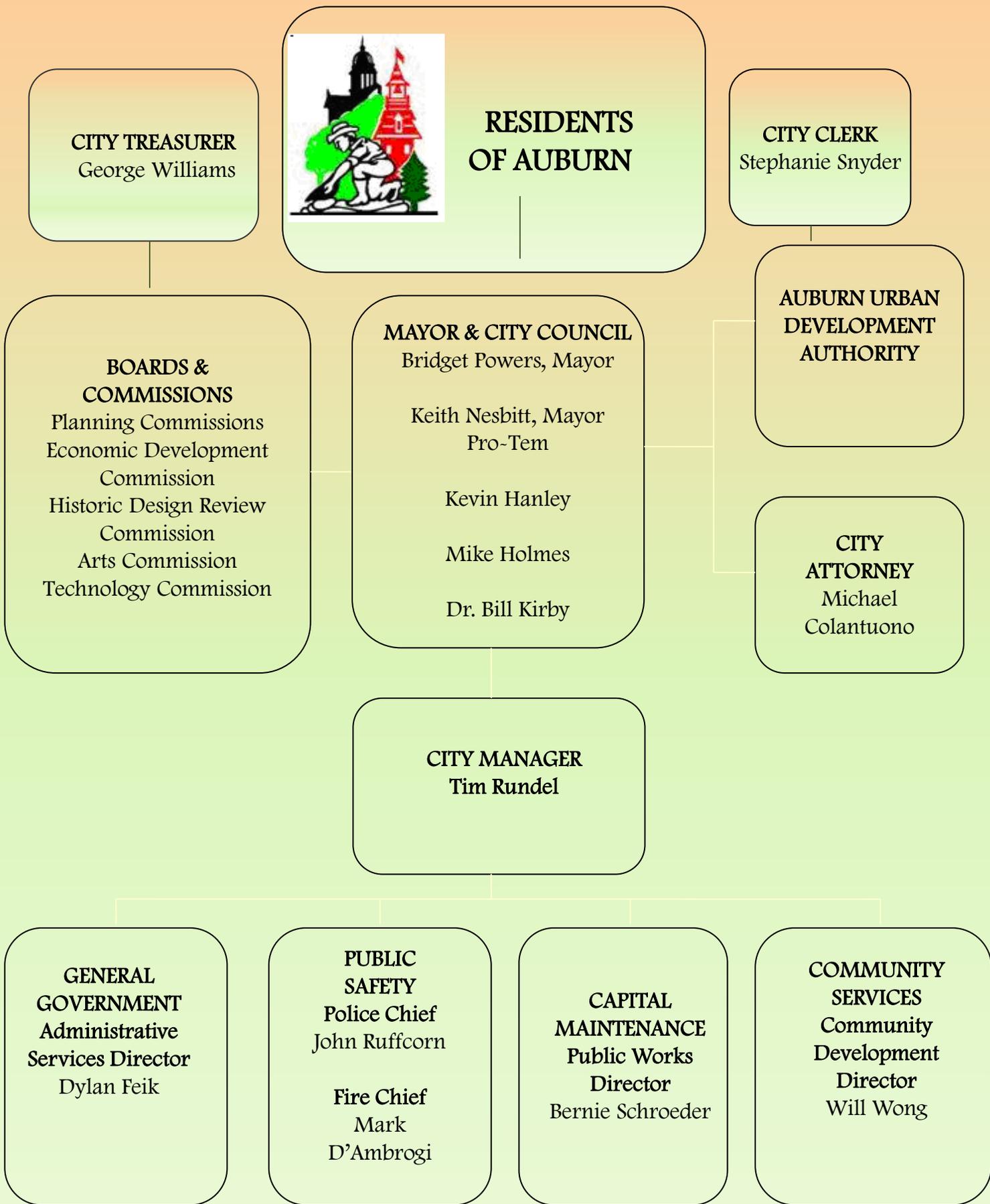
Executive Director/CEO

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CITY OF AUBURN
City Officials
For the Year Ended June 30, 2014

Bridget Powers. Mayor
Keith Nesbitt. Vice-Mayor
Dr. Bill Kirby. Council Member
Matt Spokely. Council Member
Daniel Berlant. Council Member

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City of Auburn

Comprehensive Annual Financial Report

2014

Project Team

Tim Rundel, City Manager

Dylan Feik, Administrative Services Director

Administrative Staff

Mary Freitas, Senior Accounting Technician

Shari Conley, Administrative Technical Analyst

Special Assistance

Mark D'Ambrogi, Chief of Fire

John Ruffcorn, Chief of Police

Lisa Hoffrogge, Building Official

Bernie Schroeder, Public Works Director

George Williams, City Treasurer

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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining and Individual Fund Statements and Schedules**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Auburn, California (City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1Q to the financial statements, in 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 70. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Funding Progress, and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

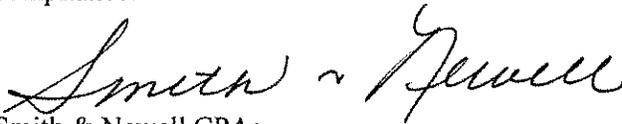
The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 26, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Smith & Newell".

Smith & Newell CPAs
Yuba City, California
January 26, 2015

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**Management's Discussion and Analysis
(Unaudited)**

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CITY OF AUBURN

Management Discussion and Analysis June 30, 2014

Management's Discussion and Analysis

This section of the City of Auburn's (City) Comprehensive Annual Financial Report presents a discussion of the City's financial performance during the year ended June 30, 2014. Please read it in conjunction with the City's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities at the close of Fiscal Year 2013-14 by \$53,238,069 (*net position*) which represents an increase of 0.26%, or \$138,101. Of this amount, \$10,168,701 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, and \$3,882,876 is restricted for capital projects, debt service, and legally segregated taxes, grants and fees.
- As of June 30, 2014, the City governmental funds reported combined fund balances of \$5,777,714. Approximately 41.3% of the combined fund balances, or \$2,384,993, is available to meet the City's current and future needs (*committed and unassigned fund balance*).
- An annual surplus of \$453,316 was realized in the City's General fund during the fiscal year. Total General fund balance as of June 30, 2014 was \$3,445,663, or 35.6% of Fiscal Year 2013-14 expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) Government-Wide Financial Statements; 2) Fund Financial Statements; and 3) Notes to the Basic Financial Statements.

Government-Wide Financial Statements are designed to provide readers with a broad overview of City finances, in a manner similar to a private-sector business.

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

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, (e.g. uncollected taxes and earned but unused annual vacation and sick leave).

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, transportation, community development, and recreation. The business-type activities of the City include an airport and wastewater treatment operating facility.

The government-wide financial statements can be found on pages 19-20 of this report.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2014

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like any other state and local government, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements. The City considers revenues to be available if they are collected within 60 days after the fiscal year end.

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

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General fund which is considered to be a major fund. The City maintains several individual governmental funds organized according to their type (special revenue and capital projects funds). Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in the report.

The governmental funds financial statements can be found on pages 21-24 of this report.

Proprietary funds are generally used to account for services for which the City charges customers - either outside customers, or internal units of departments within the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses proprietary funds to account for the Auburn Airport and the Wastewater Treatment Facility.

The proprietary funds financial statements can be found on pages 25-28 of this report.

Fiduciary funds are used to account for resources held for the benefit of the City's employees and parties outside the government. The City's other employee benefit trust fund, private purpose trust and agency funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary funds financial statements can be found on pages 29-30 of this report.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2014

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 31-60 of this report.

Required Supplementary Information is presented for the City's General fund and major special revenue fund consisting of budgetary comparison schedules. The City adopts an annual appropriated budget to demonstrate compliance with this budget.

The required supplementary information can be found on pages 61-66 of this report.

The combining and individual fund statements and schedules for non-major governmental funds, proprietary funds, and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 67-92 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This analysis focuses on the net position and changes in net position of the City as a whole.

Table 1
Condensed Statement of Net Position
June 30,

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and other assets	\$ 11,694,972	\$ 12,149,845	\$ 10,220,005	\$ 10,224,683	\$ 21,914,977	\$ 22,374,528
Capital assets	21,268,816	21,577,156	27,784,467	28,134,698	49,053,283	49,711,854
Total assets	32,963,788	33,727,001	38,004,472	38,359,381	70,968,260	72,086,382
Liabilities:						
Current and other liabilities	1,512,389	1,852,261	176,910	341,774	1,689,299	2,194,035
Long-term liabilities	6,539,099	6,799,588	9,501,793	9,992,791	16,040,892	16,792,379
Total liabilities	8,051,488	8,651,849	9,678,703	10,334,565	17,730,191	18,986,414
Net Position:						
Net investment in capital assets	20,815,460	20,966,807	18,371,032	18,226,969	39,186,492	39,193,776
Restricted	3,323,613	3,296,195	559,263	559,263	3,882,876	3,855,458
Unrestricted	773,227	812,150	9,395,474	9,238,584	10,168,701	10,050,734
Total net position	\$ 24,912,300	\$ 25,075,152	\$ 28,325,769	\$ 28,024,816	\$ 53,238,069	\$ 53,099,968

Governmental Activities

The City's governmental net position amounted to \$24.91 million as of June 30, 2014, a decrease of approximately \$162,852 over the fiscal year ended June 30, 2013. This decrease is the change in net position reflected in the governmental activities column of the Changes in Net Position. The City's net position from governmental activities as of June 30, 2014, comprised the following:

- Cash and investments comprised \$4.75 million in the City treasury, \$660,052 of which is restricted in use. Substantially all of these amounts were held in short to medium term investments in governmental securities and corporate notes, as detailed in Note 3 to the financial statements.

CITY OF AUBURN

Management Discussion and Analysis

June 30, 2014

- Current accounts, taxes and intergovernmental receivables comprised \$1,527,545, an increase of \$306,945 over the previous year.
- Loans receivable comprised approximately \$628,859, all of which represents loans provided by the City's Community Development Block Grant Program to support small business development.
- A net pension asset comprised \$4,624,526.
- Capital assets of \$21.27 million, net of depreciation charges, which includes City infrastructure, buildings and improvements, equipment, land improvements and related construction in progress.
- Current liabilities, including accounts and interest payable, deposits and unearned revenues, comprised \$1.51 million, a decrease of 18% from Fiscal Year 2012-13.
- Long-term liabilities comprised \$6.54 million, or an overall decrease of 4% from the previous year due to paying down long term debt obligations.
- Net investment in capital assets of \$20.82 million, representing the City's investment in infrastructure and other capital assets used in Governmental activities, net of amounts borrowed to finance that investment.
- Restricted net position totaling \$3.32 million, which may be used only to construct specified capital projects, debt service, or for community development and transportation projects and public safety programs.
- Unrestricted net position is part of net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The City had \$773,227 of unrestricted net position as of June 30, 2014.

Business-Type Activities

The City's business-type net position amounted to \$28.33 million as of June 30, 2014, increasing by approximately \$300,953 over the previous year. The increase in net position experienced in the business-type funds occurred primarily as a result of making debt service payments for both the Airport and Sewer operations. Capitalized assets in the Airport and Sewer funds were related to sewer rehabilitation projects, the Regional Sewer Common Pipeline, Monticello Lift Station and aeration improvements at the City's Wastewater Treatment Plant. Additionally, improvements to the Auburn Municipal Airport included a new monument sign and a new truck. The City's net position from business-type activities as of June 30, 2014, comprised the following:

- Cash and investments comprised \$9,846,440 in the City Treasury, \$1,624,918 of which is restricted in use as detailed in Note 3 to the financial statements.
- Current accounts, taxes and intergovernmental receivables comprised \$242,266.
- Capital assets of \$27.8 million, net of depreciation charges.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2014

- Current liabilities, including accounts and interest payable, and deposits, comprised \$176,910, representing a 48% decrease from the previous year of \$341,774.
- Long-term liabilities comprised \$9.5 million.
- Net investment in capital assets of \$18.38 million, representing the City's investment in infrastructure and other capital assets used in business-type activities, net of amounts borrowed to finance that investment.
- Restricted net position totals \$559,263 and is related to a debt service reserve established for sewer revenue bonds.
- Unrestricted net position of approximately \$9.4 million.

The following table indicates the changes in net position:

Table 2
Condensed Statement of Activities
For the Year Ended June 30,

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program Revenues:						
Charges for services	\$ 813,641	\$ 1,119,432	\$ 5,890,987	\$ 6,018,960	\$ 6,704,628	\$ 7,138,392
Operating grants and contributions	2,574,530	2,565,297	86,311	77,692	2,660,841	2,642,989
Capital grants and contributions	-	2,468	-	-	-	2,468
Total program revenues	3,388,171	3,687,197	5,977,298	6,096,652	9,365,469	9,783,849
General Revenues:						
Property taxes	2,627,318	3,097,824	47,364	38,568	2,674,682	3,136,392
Sales and use taxes	2,957,859	2,787,736	-	-	2,957,859	2,787,736
Other taxes	1,752,578	1,492,983	-	-	1,752,578	1,492,983
Franchise taxes	632,963	630,244	-	-	632,963	630,244
Grants and contributions - unrestricted	431,011	6,960	-	-	431,011	6,960
Unrestricted interest and investment earnings	119,117	7,934	38,063	3,910	157,180	11,844
Miscellaneous	52,653	326,904	17,640	40,000	70,293	366,904
Transfers	57,454	45,801	(57,454)	(45,801)	-	-
Total general revenues	8,630,953	8,396,386	45,613	36,677	8,676,566	8,433,063
Total revenues	12,019,124	12,083,583	6,022,911	6,133,329	18,042,035	18,216,912
Program Expenses:						
General government	1,474,340	1,890,167	-	-	1,474,340	1,890,167
Public safety	6,369,373	5,421,554	-	-	6,369,373	5,421,554
Transportation	3,145,072	3,508,302	-	-	3,145,072	3,508,302
Community development	934,437	693,696	-	-	934,437	693,696
Interest on long-term debt	258,754	266,979	-	-	258,754	266,979
Airport	-	-	681,504	666,373	681,504	666,373
Sewer	-	-	5,040,454	4,108,614	5,040,454	4,108,614
Total expenses	12,181,976	11,780,698	5,721,958	4,774,987	17,903,934	16,555,685
Change in net position	(162,852)	302,885	300,953	1,358,342	138,101	1,661,227
Net Position - Beginning	25,075,152	24,867,595	28,024,816	26,846,871	53,099,968	51,714,466
Prior Period Adjustment	-	(95,328)	-	(180,397)	-	(275,725)
Net Position - Beginning, Restated	25,075,152	24,772,267	28,024,816	26,666,474	53,099,968	51,438,741
Net Position - Ending	\$ 24,912,300	\$ 25,075,152	\$ 28,325,769	\$ 28,024,816	\$ 53,238,069	\$ 53,099,968

CITY OF AUBURN

Management Discussion and Analysis June 30, 2014

Governmental Activities

Governmental activities net position decreased by \$162,852 during Fiscal Year 2013-14. The decrease in net position can be primarily attributed to a decrease in property tax revenues experienced during the fiscal year.

As Table 2 above shows, \$3.39 million, or 28% of the City's Fiscal Year 2013-14 revenue is derived from program revenues, while \$8.6 million, or 72%, is derived from general revenues such as taxes, rents, and interest.

Program revenues are composed of fees and charges for service of \$813,641 that include permit revenues, fees, and charges used to fund expenses incurred in providing services; and \$2.57 million of operating grants and contributions which include gas tax, transportation development allocations, transportation grants, and public safety allocations and grants.

General revenues are not allocable to programs but are used to pay for the net costs of governmental programs.

Business-Type Activities

Business-type activities net position combined to increase by \$302,885 during Fiscal Year 2013-14. The majority of the increase in net position can be attributed to increased collections of operating revenues and repayment of debt in both the Airport and Sewer enterprise funds.

Net position in the City's Airport fund increased approximately \$140,383 during Fiscal Year 2013-14. The increase is primarily attributable to increased collections of Auburn Airport lease revenues offset by increased costs incurred for staff, materials and capital maintenance at the Airport.

Net position in the City's Sewer fund increased approximately \$160,570 during Fiscal Year 2013-14. The increase can be attributed to net operating income which includes the effects of increased collections of sewer use charges, offset by interest charges incurred for the repayment of Sewer infrastructure debt.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds. The general government functions are contained in the General, Special Revenue, and Capital Project funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unrestricted fund balance (committed and unassigned)* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2014

Table 3 represents the amount of governmental fund revenue from various sources:

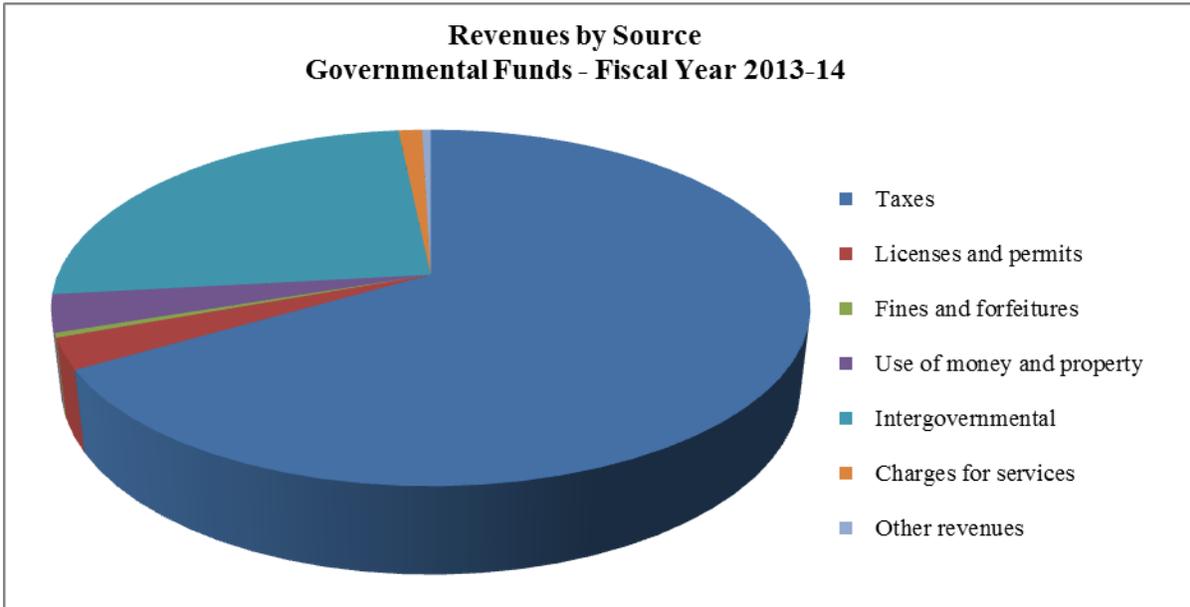
Table 3
Revenues Classified by Source
Governmental Funds
For the Fiscal Years Ended June 30,

Revenues by Source:	2014	2013	Variance	% Change
Taxes	\$ 7,970,718	\$ 8,008,787	\$ (38,069)	-0.48%
Licenses and permits	334,890	631,012	(296,122)	-46.93%
Fines and forfeitures	50,287	62,369	(12,082)	-19.37%
Use of money and property	404,117	299,653	104,464	34.86%
Intergovernmental	3,005,541	2,574,725	430,816	16.73%
Charges for services	143,464	134,332	9,132	6.80%
Other revenues	52,653	326,904	(274,251)	-83.89%
Total Revenues	\$ 11,961,670	\$ 12,037,782	\$ (76,112)	-0.63%

- (1) Collections of taxes decreased by \$38,069, primarily as a result of a decrease in tax revenue from other governmental funds.
- (2) Collections of licenses and permits decreased by \$296,122 due primarily to a decrease in building permit and development-related revenues.
- (3) Collections of fines, forfeitures and penalties decreased by \$12,082 due to lower collections of traffic and civil fines.
- (4) Collections of revenues related to the use of money and property increased by \$104,464 due to increased rates of return on the City's pool of investments.
- (5) Collections of intergovernmental revenues increased by \$430,816 due to grant revenues related to the SAFER fire staffing grant, HOME First-time Homebuyer / Housing Rehabilitation grant, and transportation-related grants.
- (6) Collections of charges for services increased by \$9,132.
- (7) Collections of other revenues decreased by \$274,251 primarily due to one-time revenues such as surplus property sales, sale of documents, plan check fees, etc.

CITY OF AUBURN

Management Discussion and Analysis
June 30, 2014



The following table presents expenditures by function:

**Table 4
Expenditures by Function
Governmental Funds
For the Fiscal Years Ended June 30,**

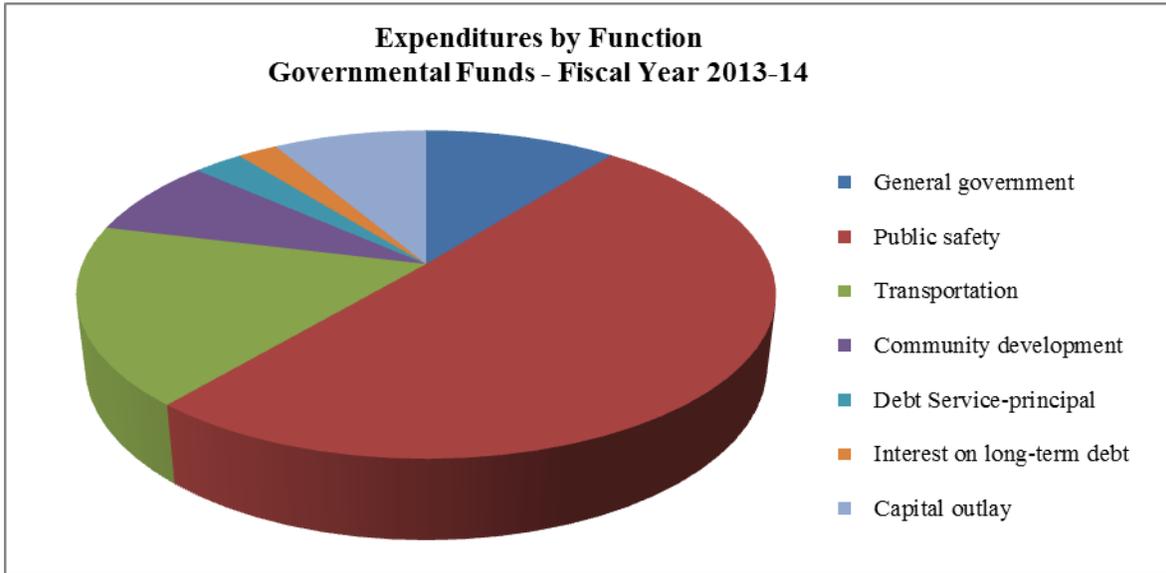
Expenditures by Function	2014	2013	Variance	% Change
General government	\$ 1,285,454	\$ 1,755,477	\$ (470,023)	-26.77%
Public safety	6,135,398	5,513,843	621,555	11.27%
Transportation	2,142,154	2,427,123	(284,969)	-11.74%
Community development	934,437	690,856	243,581	35.26%
Debt Service-principal	331,993	207,403	124,590	60.07%
Interest on long-term debt	269,490	268,691	799	0.30%
Capital outlay	1,030,225	1,301,682	(271,457)	-20.85%
Total Expenditures	\$ 12,129,151	\$ 12,165,075	\$ (35,924)	-0.29%

The \$35,924 net decrease in governmental fund expenditures during the Fiscal Year 2013-14 can be primarily attributed to the following:

- A \$271,457 decrease in capital outlay expenditures.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2014



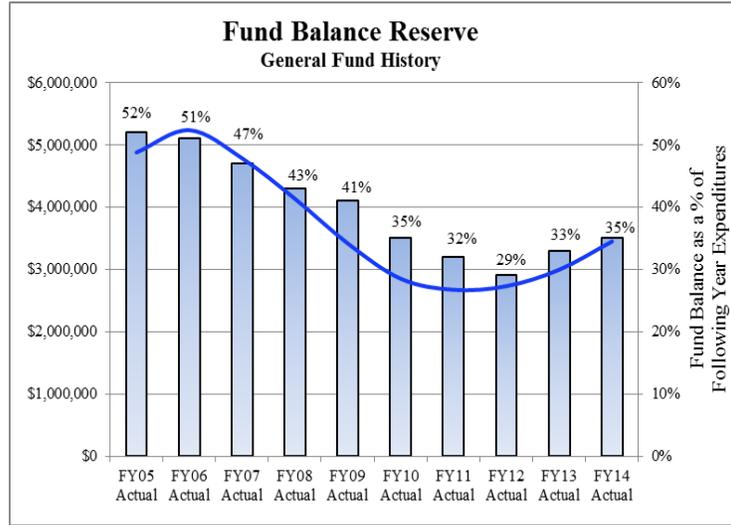
The General fund is the main operating fund of the City, and accounts for general operations including public safety, community development, and administration. The City experienced a slight increase in tax revenue of just less than 1%, or \$73,593. The original adopted budget for the General fund was \$3,189,859 (as shown in the Required Supplementary Information). Each year, the City Council approves mid-year adjustments to the budget including in Fiscal Year 2013-14. However, the adjustments were done on a departmental level and did not increase the budget authority for the General fund, resulting in a final budgeted fund balance of \$3,189,859.

At June 30, 2014, committed and unassigned fund balance of the General fund was \$3.38 million, while fund balance totaled \$3.45 million. Total fund balance increased by approximately \$453,316 when compared to last year, primarily as a result of increased revenues from other governmental agencies related to personnel services and capital projects. The City has utilized fund balance to offset decreased revenues during the recent economic downturn and has now added increased fund balance for two consecutive years.

As measures of the General fund's ability to meet operating expenditures, it is useful to note that committed and unassigned fund balance represents 34.9% of total General fund expenditures for Fiscal Year 2013-14, while total fund balance represents 35.6% of the same amount.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2014



General Fund Revenues by Source For the Fiscal Years Ended June 30,

	<u>2014</u>	<u>2013</u>	<u>Variance</u>	<u>% Change</u>
Revenues by Function				
Taxes and assessments	\$ 7,948,762	\$ 7,875,169	\$ 73,593	0.93%
Licenses and permits	303,354	443,038	(139,684)	-31.53%
Fines and forfeitures	50,287	62,369	(12,082)	-19.37%
Use of money and property	363,176	301,594	61,582	20.42%
Other governmental agencies	1,138,425	598,106	540,319	90.34%
Charges for services	112,663	105,056	7,607	7.24%
Other revenues	28,041	228,428	(200,387)	-87.72%
Total revenues	<u>\$ 9,944,708</u>	<u>\$ 9,613,760</u>	<u>\$ 330,948</u>	<u>3.44%</u>

CITY OF AUBURN

Management Discussion and Analysis June 30, 2014

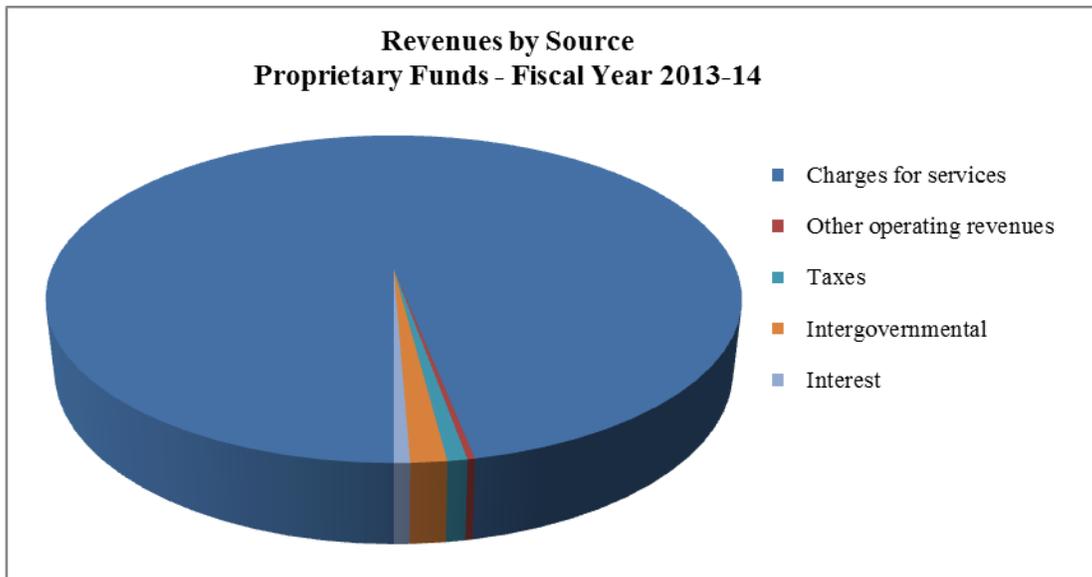
Proprietary Funds. The City has two enterprise funds - the Airport fund and the Sewer fund. The City's enterprise funds generally account for services charged to external or internal customers through fees.

The following table presents the amount of revenue from various sources:

**Table 5
Revenues Classified by Source
Proprietary Funds
For the Fiscal Years Ended June 30,**

	<u>2014</u>	<u>2013</u>	<u>Variance</u>	<u>% Change</u>
Revenues by Source:				
Operating revenues				
Charges for services	\$ 5,890,987	\$ 6,018,960	\$ (127,973)	-2.13%
Other operating revenues	17,640	40,000	(22,360)	-55.90%
Non-operating revenues				
Taxes	47,364	38,568	8,796	22.81%
Intergovernmental	86,311	77,692	8,619	11.09%
Interest	38,063	3,910	34,153	873.48%
Total Revenues	<u>\$ 6,080,365</u>	<u>\$ 6,179,130</u>	<u>\$ (98,765)</u>	<u>-1.60%</u>

Proprietary funds total revenues have decreased approximately \$98,765 from Fiscal Year 2012-13 to Fiscal Year 2013-14. Total revenues are lower primarily due to decreased collections of sewer fees pursuant to a rate increase implemented at the beginning of Fiscal Year 2012-13.



CITY OF AUBURN

Management Discussion and Analysis June 30, 2014

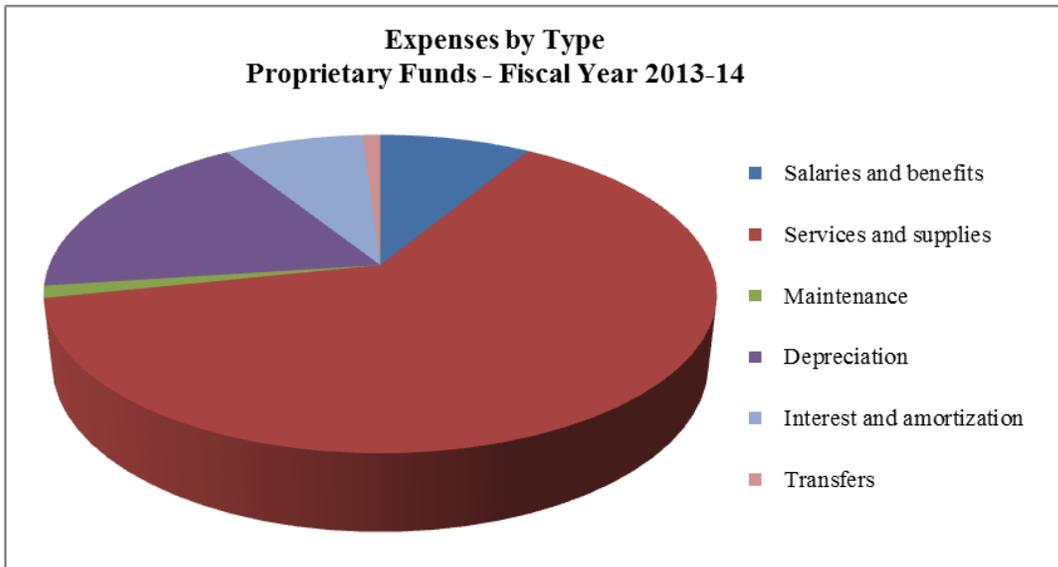
The following table represents expenses for the City’s proprietary funds:

**Table 6
Expenses by Type
Proprietary Funds
For the Fiscal Years Ended June 30,**

Expenses by Type:	<u>2014</u>	<u>2013</u>	<u>Variance</u>	<u>% Change</u>
Operating expenses				
Salaries and benefits	\$ 500,037	\$ 468,803	\$ 31,234	6.66%
Services and supplies	3,643,136	2,700,689	942,447	34.90%
Maintenance	71,212	121,850	(50,638)	-41.56%
Depreciation	1,044,954	1,013,020	31,934	3.15%
Non-operating expenses				
Interest and amortization	462,619	470,625	(8,006)	-1.70%
Transfers	57,454	45,801	11,653	25.44%
Total Expenses	<u>\$ 5,779,412</u>	<u>\$ 4,820,788</u>	<u>\$ 958,624</u>	<u>19.89%</u>

The \$958,624 net increase in business-type activity fund expenses during Fiscal Year 2013-14 can be primarily attributed to the following:

- A \$31,234 increase in salaries and benefits costs which are attributed to benefit increases including health and retirement; and
- A \$942,447 increase in services and supplies costs due to sewer service repair costs;
- A \$50,638 decrease in maintenance expenses related to Sewer and Airport enterprise operations.



CITY OF AUBURN

Management Discussion and Analysis June 30, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

Table 7
Capital Assets at End of Fiscal Year

	Governmental Activities		Business-Type Activities	
	2014	2013	2014	2013
Land	\$ -	\$ -	\$ 2,874,395	\$ 2,874,395
Infrastructure	6,314,227	6,314,227	23,130,936	22,252,232
Buildings and improvements	5,261,972	5,230,205	-	-
Equipment	7,429,559	7,319,891	2,040,349	2,020,143
Land improvements	13,141,046	13,141,046	-	-
Construction in progress	1,457,984	569,164	11,047,397	11,251,584
Accumulated depreciation	(12,335,972)	(10,997,377)	(11,308,610)	(10,263,656)
Total	\$ 21,268,816	\$ 21,577,156	\$ 27,784,467	\$ 28,134,698

The City's investment in capital assets for its governmental activities as of June 30, 2014 totaled approximately \$21.27 million (net of accumulated depreciation). The City's investment in capital assets for its business-type activities as of June 30, 2014 totaled approximately \$27.8 million (net of accumulated depreciation). The investment in capital assets includes land, infrastructure, buildings and improvements, equipment, and construction in progress.

Major capital asset events during the fiscal year ended June 30, 2014 include:

- \$1.4 million in sewer repair projects to improve the wastewater system
- Purchase of a pickup truck for the Sewer Program
- Upgrades to the wastewater facility aeration system
- Investment into the Regional Sewer Common Pipeline
- Partial completion of the Palm Avenue Sidewalk Project
- Upgrades to the City's business license system
- Additional renovations at the Old City Hall facility
- Upgrades towards the Auburn Police Department CAD System

More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2014

Debt Administration

The following schedule shows the changes in long-term debt for the fiscal year ended June 30, 2014.

Table 8
Long-Term Debt

	Governmental Activities		Business-Type Activities	
	2014	2013	2014	2013
Pension obligation bonds	\$ 4,130,000	\$ 4,305,000	\$ -	\$ -
Loans payable	-	-	1,845,752	2,178,739
Revenue bonds	-	-	7,567,683	7,728,990
Capital leases	453,356	610,349	-	-
Compensated absences	1,524,634	1,536,857	77,955	78,508
Postemployment benefits	431,109	347,382	10,403	6,554
Total	\$ 6,539,099	\$ 6,799,588	\$ 9,501,793	\$ 9,992,791

The City's total long-term debt for governmental activities decreased by approximately \$260,489, primarily as a result of contributions to pension obligation bonds and capital leases. The City's obligations to postemployment benefits increased approximately \$83,727.

The City's total debt for its business-type activities decreased by approximately \$490,998 primarily as a result of making payment for debt service related to the City's Wastewater Treatment Facility Upgrade revenue bonds and on loans related to prior sewer and airport projects.

Additional information on the City's long-term debt is presented in Note 7 to the financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is customarily presented to and adopted by the City Council prior to the beginning of the fiscal year that begins July 1 and ends on June 30. The City Council approved the budget in June 2013. Subsequent to the adoption of the annual budget, the budget was reviewed in March 2014 and necessary budget adjustments were approved by the City Council.

The General fund budget approved in June 2013 for Fiscal Year 2013-14 estimated approximately \$9.32 million in revenue sources and allocated \$9.28 million in appropriations. During the first six months of the fiscal year, primarily as a result of anticipated decreases in intergovernmental revenues, the City anticipated little changes to the revenues and expenditures adopted in the budget. Actual collections of revenues for the fiscal year amounted to \$9.94 million and actual expenditures incurred amounted to \$9.69 million.

At the end of the fiscal year, approximately \$453,316 was added to General fund balance, leading to an ending total fund balance in the General fund of \$3,445,663.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The budget developed for Fiscal Year 2014-15 was adopted by the City Council on July 14, 2014 subsequent to the passage of a continuing resolution for Fiscal Year 2013-14 on June 23, 2014. The General fund budget approved by the City Council anticipates \$9.57 million in revenues and \$9.78 million in expenditures, with

CITY OF AUBURN

Management Discussion and Analysis

June 30, 2014

approximately \$206,802 of unassigned fund balance being utilized to temporarily fund 5 firefighter positions through December 2014. The City will continue to closely monitor economic activity along with actions taken by regional and state governments that may impact the City's budget.

Revenue growth rates for development-related fees and property taxes are expected to remain relatively flat, while collections of sales and property taxes are expected to increase modestly in the wake of rising fuel prices and a slight recovery in the residential real estate market citywide. The Fiscal Year 2014-15 General fund budget also anticipates ongoing expenditures for debt service related to the purchase of a new fire truck, while at the same time mitigating the impacts of the employee cost savings plans implemented in 2011. To prevent further earmarking of fund balance, the City is expected to continue reviewing city-wide programs consistent with cost effectiveness and efficiency.

All of the above information was considered in preparing the City's budget for Fiscal Year 2014-15.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances, and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Auburn
Office of the Administrative Services Director
1225 Lincoln Way, Room 1
Auburn, CA 95603
530-823-4211, ext. 110

Or, you may visit the City's website at www.auburn.ca.gov for contact information.

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Basic Financial Statements

- **Government-Wide Financial Statements**

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CITY OF AUBURN
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 4,087,417	\$ 8,221,522	\$ 12,308,939
Receivables:			
Accounts	40,972	3,029	44,001
Interest	5,250	-	5,250
Taxes	901,218	-	901,218
Intergovernmental	580,105	239,237	819,342
Prepaid costs	71,767	131,299	203,066
Due from other agencies	21,854	-	21,854
Investment in JPA	72,952	-	72,952
Restricted cash and investments	660,052	1,624,918	2,284,970
Loans receivable	628,859	-	628,859
Net pension asset	4,624,526	-	4,624,526
Capital assets:			
Non-depreciable	1,457,984	13,921,792	15,379,776
Depreciable, net	19,810,832	13,862,675	33,673,507
Total capital assets	<u>21,268,816</u>	<u>27,784,467</u>	<u>49,053,283</u>
Total Assets	<u>32,963,788</u>	<u>38,004,472</u>	<u>70,968,260</u>
LIABILITIES			
Accounts payable	237,065	110,480	347,545
Accrued salaries and benefits	347,692	11,553	359,245
Accrued interest payable	219,657	40,952	260,609
Deposits payable	50,072	13,925	63,997
Unearned revenue	657,903	-	657,903
Long-term liabilities:			
Due within one year	855,400	520,533	1,375,933
Due in more than one year	5,683,699	8,981,260	14,664,959
Total Liabilities	<u>8,051,488</u>	<u>9,678,703</u>	<u>17,730,191</u>
NET POSITION			
Net investment in capital assets	20,815,460	18,371,032	39,186,492
Restricted for:			
General government	88,719	-	88,719
Public safety	855,857	-	855,857
Transportation	186,258	-	186,258
Community development	847,059	-	847,059
Capital projects	1,345,720	-	1,345,720
Debt service	-	559,263	559,263
Unrestricted	773,227	9,395,474	10,168,701
Total Net Position	<u>\$ 24,912,300</u>	<u>\$ 28,325,769</u>	<u>\$ 53,238,069</u>

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

CITY OF AUBURN
Statement of Activities
For the Year Ended June 30, 2014

<u>Functions/Programs:</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
General government	\$ 1,474,340	\$ 523,315	\$ -	\$ -
Public safety	6,369,373	24,609	848,200	-
Transportation	3,145,072	265,717	1,125,278	-
Recreation and culture	-	-	175,000	-
Community development	934,437	-	426,052	-
Interest on long-term debt	258,754	-	-	-
Total Governmental Activities	<u>12,181,976</u>	<u>813,641</u>	<u>2,574,530</u>	<u>-</u>
Business-Type activities:				
Airport	681,504	672,754	86,311	-
Sewer	5,040,454	5,218,233	-	-
Total Business-Type Activities	<u>5,721,958</u>	<u>5,890,987</u>	<u>86,311</u>	<u>-</u>
Total	<u>\$ 17,903,934</u>	<u>\$ 6,704,628</u>	<u>\$ 2,660,841</u>	<u>\$ -</u>

General revenues:

Taxes:

 Property taxes

 Sales and use taxes

 In-lieu taxes

 Franchise taxes

 Transient occupancy taxes

 Other taxes

Grants and contributions - unrestricted

Interest and investment earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business- Type Activities	Totals
\$ (951,025)	\$ -	\$ (951,025)
(5,496,564)	-	(5,496,564)
(1,754,077)	-	(1,754,077)
175,000	-	175,000
(508,385)	-	(508,385)
(258,754)	-	(258,754)
<u>(8,793,805)</u>	<u>-</u>	<u>(8,793,805)</u>
-	77,561	77,561
<u>-</u>	<u>177,779</u>	<u>177,779</u>
-	255,340	255,340
<u>(8,793,805)</u>	<u>255,340</u>	<u>(8,538,465)</u>
2,627,318	47,364	2,674,682
2,957,859	-	2,957,859
1,470,211	-	1,470,211
632,963	-	632,963
226,298	-	226,298
56,069	-	56,069
431,011	-	431,011
119,117	38,063	157,180
52,653	17,640	70,293
57,454	(57,454)	-
<u>8,630,953</u>	<u>45,613</u>	<u>8,676,566</u>
(162,852)	300,953	138,101
<u>25,075,152</u>	<u>28,024,816</u>	<u>53,099,968</u>
<u>\$ 24,912,300</u>	<u>\$ 28,325,769</u>	<u>\$ 53,238,069</u>

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Basic Financial Statements

- **Fund Financial Statements**

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CITY OF AUBURN
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>Transportation</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
ASSETS				
Cash and investments	\$ 1,919,156	\$ -	\$ 2,168,261	\$ 4,087,417
Receivables:				
Accounts	14,101	-	26,871	40,972
Interest	5,250	-	-	5,250
Taxes	901,218	-	-	901,218
Intergovernmental	122,337	141,315	316,453	580,105
Due from other funds	764,124	-	-	764,124
Prepaid costs	68,408	-	3,359	71,767
Investment in JPA	72,952	-	-	72,952
Restricted cash and investments	102,219	-	557,833	660,052
Loans receivable	-	-	628,859	628,859
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 3,969,765</u>	<u>\$ 141,315</u>	<u>\$ 3,701,636</u>	<u>\$ 7,812,716</u>
LIABILITIES				
Accounts payable	\$ 142,729	\$ 52,272	\$ 42,064	\$ 237,065
Accrued salaries and benefits	332,619	-	15,073	347,692
Deposits payable	48,754	-	1,318	50,072
Due to other funds	-	473,942	268,328	742,270
Unearned revenue	-	369,625	288,278	657,903
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>524,102</u>	<u>895,839</u>	<u>615,061</u>	<u>2,035,002</u>
FUND BALANCES				
Nonspendable	68,408	-	3,359	71,767
Restricted	-	-	3,320,954	3,320,954
Committed	2,250,000	-	-	2,250,000
Unassigned	1,127,255	(754,524)	(237,738)	134,993
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>3,445,663</u>	<u>(754,524)</u>	<u>3,086,575</u>	<u>5,777,714</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 3,969,765</u>	<u>\$ 141,315</u>	<u>\$ 3,701,636</u>	<u>\$ 7,812,716</u>

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

CITY OF AUBURN
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2014

Total Fund Balance - Total Governmental Funds	\$ 5,777,714
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	21,268,816
Interest payable on long-term debt does not require the use of current financial resources and therefore, is not accrued as a liability in the governmental funds balance sheets.	(219,657)
The net pension asset pertaining to governmental funds is not a current financial resource and therefore, is not recorded in the governmental funds balance sheets.	4,624,526
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Pension obligation bonds payable	(4,130,000)
Capital leases payable	(453,356)
Compensated absences	(1,524,634)
Net OPEB obligation	(431,109)
	(4,539,100)
Net Position of Governmental Activities	\$ 24,912,300

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

CITY OF AUBURN
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	<u>General Fund</u>	<u>Transportation</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
REVENUES				
Taxes	\$ 7,948,762	\$ -	\$ 21,956	\$ 7,970,718
Licenses and permits	303,354	-	31,536	334,890
Fines and forfeitures	50,287	-	-	50,287
Use of money and property	363,176	1,658	39,283	404,117
Intergovernmental	1,138,425	330,159	1,536,957	3,005,541
Charges for services	112,663	-	30,801	143,464
Other revenues	28,041	-	24,612	52,653
Total Revenues	<u>9,944,708</u>	<u>331,817</u>	<u>1,685,145</u>	<u>11,961,670</u>
EXPENDITURES				
Current:				
General government	1,244,844	-	40,610	1,285,454
Public safety	5,961,687	-	173,711	6,135,398
Transportation	1,127,835	234,704	779,615	2,142,154
Community development	694,935	-	239,502	934,437
Debt service:				
Principal	331,993	-	-	331,993
Interest and other charges	269,490	-	-	269,490
Capital outlay	59,571	841,847	128,807	1,030,225
Total Expenditures	<u>9,690,355</u>	<u>1,076,551</u>	<u>1,362,245</u>	<u>12,129,151</u>
Excess of Revenues Over (Under) Expenditures	<u>254,353</u>	<u>(744,734)</u>	<u>322,900</u>	<u>(167,481)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	198,963	-	-	198,963
Transfers out	-	(9,790)	(131,719)	(141,509)
Total Other Financing Sources (Uses)	<u>198,963</u>	<u>(9,790)</u>	<u>(131,719)</u>	<u>57,454</u>
Net Change in Fund Balances	453,316	(754,524)	191,181	(110,027)
Fund Balances - Beginning	<u>2,992,347</u>	<u>-</u>	<u>2,895,394</u>	<u>5,887,741</u>
Fund Balances - Ending	<u>\$ 3,445,663</u>	<u>\$ (754,524)</u>	<u>\$ 3,086,575</u>	<u>\$ 5,777,714</u>

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

CITY OF AUBURN
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances - Total Governmental Funds	\$ (110,027)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditures for capital outlay	1,030,225
Miscellaneous adjustment	30
Less: current year depreciation	(1,338,595)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal retirements	331,993
Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Change in compensated absences payable	12,223
Change in net OPEB obligation	(83,727)
Change in accrued interest payable	10,736
Amortization of net pension asset	(15,710)
Change in Net Position of Governmental Activities	\$ (162,852)

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

CITY OF AUBURN
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-Type Activities		
	Enterprise Funds		
	Airport	Sewer	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ 905,204	\$ 7,316,318	\$ 8,221,522
Receivables:			
Accounts	3,029	-	3,029
Intergovernmental	-	239,237	239,237
Prepaid costs	-	131,299	131,299
Total Current Assets	908,233	7,686,854	8,595,087
Noncurrent Assets:			
Restricted cash and investments	14,675	1,610,243	1,624,918
Capital assets:			
Non-depreciable	6,671,426	7,250,366	13,921,792
Depreciable, net	4,084,681	9,777,994	13,862,675
Total Noncurrent Assets	10,770,782	18,638,603	29,409,385
Total Assets	11,679,015	26,325,457	38,004,472
LIABILITIES			
Current Liabilities:			
Accounts payable	16,523	93,957	110,480
Accrued salaries and benefits	1,044	10,509	11,553
Accrued interest payable	8,679	32,273	40,952
Deposits payable	13,925	-	13,925
Compensated absences payable	-	16,102	16,102
Bonds payable	-	166,307	166,307
Loans payable	102,930	235,194	338,124
Total Current Liabilities	143,101	554,342	697,443
Noncurrent Liabilities:			
Compensated absences payable	-	61,853	61,853
Bonds payable	-	7,401,376	7,401,376
Loans payable	277,627	1,230,001	1,507,628
Net OPEB obligation	-	10,403	10,403
Total Noncurrent Liabilities	277,627	8,703,633	8,981,260
Total Liabilities	420,728	9,257,975	9,678,703
NET POSITION			
Net investment in capital assets	10,375,550	7,995,482	18,371,032
Restricted for debt service	-	559,263	559,263
Unrestricted	882,737	8,512,737	9,395,474
Total Net Position	\$ 11,258,287	\$ 17,067,482	\$ 28,325,769

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

CITY OF AUBURN
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities Enterprise Funds		
	Airport	Sewer	Totals
OPERATING REVENUES			
Charges for services:			
User fees and charges	\$ 47,031	\$ 5,218,233	\$ 5,265,264
Rents and concessions	625,723	-	625,723
Other revenues	-	17,640	17,640
Total Operating Revenues	672,754	5,235,873	5,908,627
OPERATING EXPENSES			
Salaries and benefits	100,275	399,762	500,037
Services and supplies	119,292	3,523,844	3,643,136
Maintenance	71,212	-	71,212
Depreciation	370,651	674,303	1,044,954
Total Operating Expenses	661,430	4,597,909	5,259,339
Operating Income (Loss)	11,324	637,964	649,288
NONOPERATING REVENUES (EXPENSES)			
Taxes	47,364	-	47,364
Intergovernmental	86,311	-	86,311
Interest income	22,801	15,262	38,063
Interest expense	(20,074)	(438,852)	(458,926)
Amortization	-	(3,693)	(3,693)
Total Nonoperating Revenues (Expenses)	136,402	(427,283)	(290,881)
Income (Loss) before Transfers	147,726	210,681	358,407
Transfers out	(7,343)	(50,111)	(57,454)
Change in Net Position	140,383	160,570	300,953
Total Net Position - Beginning	11,117,904	16,906,912	28,024,816
Total Net Position - Ending	\$ 11,258,287	\$ 17,067,482	\$ 28,325,769

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

CITY OF AUBURN
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities		
	Enterprise Funds		
	Airport	Sewer	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 670,304	\$ 5,218,233	\$ 5,888,537
Other receipts	-	17,640	17,640
Payments to suppliers	(267,744)	(3,737,747)	(4,005,491)
Payments to employees	(100,411)	(396,199)	(496,610)
Net Cash Provided (Used) by Operating Activities	302,149	1,101,927	1,404,076
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Taxes received	47,364	-	47,364
Noncapital grants received	86,311	(4,099)	82,212
Transfers to other funds	(7,343)	(50,111)	(57,454)
Net Cash Provided (Used) by Noncapital Financing Activities	126,332	(54,210)	72,122
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(178,669)	(516,054)	(694,723)
Principal paid on capital debt	(97,793)	(447,234)	(545,027)
Interest paid on capital debt	(22,461)	(392,225)	(414,686)
Net Cash Provided (Used) for Capital and Related Financing Activities	(298,923)	(1,355,513)	(1,654,436)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	22,801	15,262	38,063
Net Cash Provided (Used) by Investing Activities	22,801	15,262	38,063
Net Increase (Decrease) in Cash and Cash Equivalents	152,359	(292,534)	(140,175)
Balances - Beginning	767,520	9,219,095	9,986,615
Balances - Ending	\$ 919,879	\$ 8,926,561	\$ 9,846,440

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

CITY OF AUBURN
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities		
	Enterprise Funds		
	<u>Airport</u>	<u>Sewer</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 11,324	\$ 637,964	\$ 649,288
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	370,651	674,303	1,044,954
Decrease (Increase) in:			
Accounts receivable	(2,300)	-	(2,300)
Prepaid costs	-	(129,098)	(129,098)
Increase (Decrease) in:			
Accounts payable	(77,240)	(84,805)	(162,045)
Accrued salaries and benefits	(136)	265	129
Deposits payable	(150)	-	(150)
Compensated absences payable	-	(551)	(551)
Net OPEB obligation	-	3,849	3,849
Net Cash Provided (Used) by Operating Activities	<u>\$ 302,149</u>	<u>\$ 1,101,927</u>	<u>\$ 1,404,076</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Amortization of discounts	\$ -	\$ 50,732	\$ 50,732

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

CITY OF AUBURN
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Other Employee Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and investments	\$ 2,068	\$ 362,337	\$ 90,004
Receivables:			
Accounts	-	1,047	7,971
Intergovernmental	-	-	5,050
Capital assets:			
Non-depreciable	-	350,000	-
	<u>-</u>	<u>350,000</u>	<u>-</u>
Total Assets	<u>\$ 2,068</u>	<u>\$ 713,384</u>	<u>\$ 103,025</u>
LIABILITIES			
Accounts payable	\$ -	\$ 1,551	\$ 12,942
Interest payable	-	21,012	-
Deposits payable	(17,434)	-	-
Due to other funds	-	21,854	-
Agency obligations	-	-	90,083
Long-term debt:			
Due within one year	-	86,577	-
Due in more than one year	-	4,066,284	-
	<u>-</u>	<u>4,066,284</u>	<u>-</u>
Total Liabilities	<u>(17,434)</u>	<u>4,197,278</u>	<u>103,025</u>
NET POSITION			
Net position held in trust	<u>\$ 19,502</u>	<u>\$ (3,483,894)</u>	<u>\$ -</u>

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

CITY OF AUBURN
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

	Other Employee Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS		
Property taxes	\$ -	\$ 406,259
Interest and investment income	1,757	20,525
Other contributions	-	55,615
Total Additions	1,757	482,399
DEDUCTIONS		
Distributions to participants	-	54,765
Program expenses of former redevelopment agency	-	90,799
Interest expense	-	226,455
Amortization	-	3,423
Total Deductions	-	375,442
Transfers in	-	311,452
Transfers out	-	(311,452)
Change in Net Position	1,757	106,957
Net Position - Beginning	17,745	(3,590,851)
Net Position - Ending	\$ 19,502	\$ (3,483,894)

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

Basic Financial Statements

- **Notes to Basic Financial Statements**

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CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Auburn (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City of Auburn (City), California was incorporated in 1888. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, health and social services, culture-recreation, public improvements, planning and zoning, and general administration services.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Reporting for component units on the City's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the City's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the City's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the City Council. Separate financial statements for the City of Auburn Public Financing Authority are not issued.

Blended Component Units

City of Auburn Public Financing Authority - The Authority was formed September 8, 2008 by the execution of a Joint Powers Authority Agreement between the City of Auburn and the Auburn Urban Development Authority. The Authority is authorized to assist the City in future financings, including to borrow money for the purpose of financing the acquisition of bonds, notes, and other obligations of, or for the purpose of making loans to, the City, and/or refinance outstanding obligations of the City. The Authority is the lessor for the City's Wastewater Revenue Bonds, Series 2009 and the Auburn Urban Development Authority 2008 Tax Allocation Bonds and makes debt service payments on behalf of the City and the Successor Agency to the Auburn Urban Development Authority. The City Council is the governing body of the Authority and because its financial and operational relationship with the City is closely integrated, the Authority debt is reported as bonds payable in the sewer enterprise fund financial statements and long-term debt in the private purpose trust funds.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units

There are no component units of the City which meet the criteria for discrete presentation.

Joint Agencies

The City is a participant in Northern California Cities Self-Insurance Fund (NCCSIF), the purpose of which is for members cities to share in the administrative costs of providing liability and workers' compensation insurance. The NCCSIF is governed by a board of directors appointed by the member cities. Complete financial information can be obtained from the Program Administrator, 600 Montgomery Street, 9th Floor, San Francisco, CA 94111. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

The City is a participant in California Joint Powers Risk Management Authority (CJPRMA), the purpose of which is to provide excess coverage for its members. The CJPRMA is governed by a board of directors representing its member cities. Complete financial information can be obtained from the claims administrator at 3201 Doolan Road, Suite 285, Livermore, California 94551. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

The City is a participant in California Transit Insurance Pool (CTIP), the purpose of which is to provide liability coverage for its members. The CTIP is composed of nearly 40 member agencies and is governed by a board of directors representing its member agencies. Complete financial information can be obtained from the Program Administrator, CalTIP, 1415 L Street, Suite 200, Sacramento, CA 95814. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the City, and its blended component units. These statements include the financial activities of the overall government, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's business-type activities and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General fund includes such activities as general government, public safety, public ways and facilities, community development, health and sanitation, and culture-recreation services.
- The Transportation fund is used to account for monies received through the Transportation Development Act (TDA) Tax and Surface Transportation Program (STP) funding.

The City reports the following major proprietary funds:

- The Airport fund is an enterprise fund established to account for the operation and maintenance of the City's general aviation airport serving recreation, commuter, limited air cargo, and public safety needs.
- The Sewer fund is an enterprise fund established to account for the building, operating, and maintaining of the City's sewer treatment plant and collection system.

The City reports the following additional fund types:

- The Other Employee Benefit Trust fund accounts for the APOA Medical Savings Plan. In compliance with GASB 43, the City established this trust to account for resources held in trust for the members of an employee benefit plan.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- The Private Purpose Trust funds account for property held under other trust arrangement under which principal and income benefit individuals, private organizations, or other governments. Private purpose trust funds include the Merchant's Council, Historic Auburn, Signature Theatre Sewer District, the Southwest Specific Plan, and the Successor Agency to the Auburn Urban Development Authority.
- The Agency funds account for resources held by the City as a trustee or an agent for individuals, private organizations, and other governmental entities. These resources include payroll deduction and collection clearing funds and various fees collected on behalf of other agencies.

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants, and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds include trust funds and agency funds. All trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting to recognize receivables and payables.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net position.

E. Cash, Cash Equivalents, and Investments

The City pools cash and investments of all funds except cash with fiscal agent. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Interest from pooled investments is allocated to the various funds based on average balances of the funds entitled to receive interest. Interest is allocated on the basis of average month end cash balance amounts for each fund as a percentage of the total balance.

Investments are reported in the accompanying balance sheet at fair value which is determined using selected bases annually. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

For purposes of the accompanying Statement of Cash Flows, the City considers all highly liquid investments, including cash with fiscal agent and restricted cash and investments, with original maturity of three months or less and amounts held in the City's investment pool to be cash and cash equivalents.

F. Restricted Cash and Investments

Restricted assets in the governmental funds represents cash and investments held in the General fund for security deposits of \$102,219 and in the Solid Waste Management fund for future postclosure costs of \$557,833. Restricted assets in the proprietary funds represent cash and investments held in the Airport fund for tenant deposits of \$14,675 and in the Sewer fund for debt service of \$1,610,243.

G. Receivables

Receivables for governmental activities consist mainly of accounts, interest, taxes, and intergovernmental revenues. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required

Receivables for business-type activities consist mainly of user fees and intergovernmental revenues. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Assets

Inventory

Governmental fund inventories are recorded as expenditures at the time inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2014, are recorded as prepaid costs in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Loans Receivable

For the purpose of the governmental fund financial statements, special revenue fund expenditures relating to long-term loans receivable arising from mortgage subsidy programs are charged to operations upon funding and the loans receivable are recorded. The balance of the long-term receivable includes loans that may be forgiven if certain terms and conditions of the loans are met. The City reported \$628,859 in loans receivable as of June 30, 2014.

J. Capital Assets

Capital assets, including public domain (infrastructure assets such as roads, bridges, water/sewer, lighting system, drainage systems, and flood control) are defined by the City as assets with a cost greater than \$5,000 and a useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their estimated fair market value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets estimated useful life in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Infrastructure	40 years
Buildings and improvements	40 years
Equipment	5-10 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Tax

Placer County assesses properties, bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Property taxes are levied on a fiscal year (July 1 - June 30). The secured property tax assessments are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. The unsecured property tax assessments are due on August 1 and become delinquent after August 31. Property taxes become a lien on the property effective January 1 of the preceding year.

The City recognizes property taxes when the individual installments are due provided they are collected within 60 days after year-end.

L. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

M. Unearned Revenue

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Compensated Absences

Employees accrue vacation, sick, and compensatory time off benefits. An employee may accumulate vacation time equal to the amount that can be earned in a two-year period. Vacation pay is paid upon separation of service or retirement. Sick leave benefits may be applied to earlier retirement. Upon termination, sick leave benefits in excess of a specified maximum are paid.

All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. In governmental funds, the cost of vacation and sick leave benefits is recognized when payments are made to employees.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2014, the City did not have any deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2014, the City did not have any deferred inflows of resources.

P. Estimates

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

Q. Implementation of Governmental Accounting Standards Board Statements (GASB)

The following Governmental Accounting Standards Board (GASB) Statement has been implemented, if applicable to the City of Auburn, in the current financial statements.

Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. This statement improves accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance

The following major governmental fund had a deficit fund balance:

- The Transportation fund had a fund balance deficit of \$754,524, which is expected to be eliminated in future years through intergovernmental revenues.

The following non-major special revenue fund had a deficit fund balance:

- The Office of Traffic Safety Grant fund had a fund balance deficit of \$1,410, which is expected to be eliminated in the future through intergovernmental revenues.

The following non-major capital projects funds had deficit fund balances:

- The Auburn School Park Preserve fund had a fund balance deficit of \$231,651, which is expected to be eliminated in the future through intergovernmental revenues.
- The Hwy 49 Beautification fund had a fund balance deficit of \$1,318, which is expected to be eliminated in the future through intergovernmental revenues.

B. Rebtable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The City does not expect to incur a liability for rebatable arbitrage at June 30, 2014.

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2014, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 4,747,469
Business type activities	9,846,440
Fiduciary funds	<u>454,409</u>
Total Cash and Investments	<u>\$ 15,048,318</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

A. Financial Statement Presentation (Continued)

As of June 30, 2014, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 250
Deposits (less outstanding checks)	5,777,980
Deposits with fiscal agents	<u>1,949,243</u>
Total Cash	<u>7,727,473</u>
Investments:	
In City's pool	<u>7,320,845</u>
Total Investments	<u>7,320,845</u>
Total Cash and Investments	<u>\$ 15,048,318</u>

B. Cash

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts, money market accounts, and deposits with fiscal agents) was \$7,727,223 and the bank balance was \$7,790,014. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition the City had cash on hand of \$250.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The City's investment policy requires that deposits in banks must meet the requirements of California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the City's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits more than the \$250,000 insured amount are collateralized.

C. Investments

Pursuant to Section 53646 of the Government Code, the City prepares an investment policy annually and presents it to the City Council for review and approval.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

The investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law. Under the provisions of the City's investment policy the City may invest or deposit in the following:

- U.S. Treasury Obligations
- U.S. Agency Securities
- City or City Agency Bonds
- California State Bonds
- Local Agency Bonds (CA only)
- Banker's Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit
- Time deposits, under \$250,000
- Time deposits, over \$250,000
- Repurchase Agreements
- Reverse Repurchase Agreements
- Medium Term Notes
- Mutual Funds/Money Market Mutual Funds
- Placer County Investment Pool
- Local Agency Investment Fund (LAIF)

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the City's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the City to meet all projected obligations. Any investments that mature more than five years from the date of purchase cannot occur without prior approval of the City Council.

As of June 30, 2014, the City had the following investments, all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
Government Agency Securities	.90-1.40%	\$ -	\$ 4,719,165	\$ 4,719,165	3.57
Corporate Bonds	6.625%	22,969	-	22,969	(2.45) (1)
Certificates of Deposit	.55%	250,000	-	250,000	.30
Placer County Investment Pool	Variable	2,286,214	-	2,286,214	-
Local Agency Investment Fund (LAIF)	Variable	42,497	-	42,497	-
Total Investments		<u>\$ 2,601,680</u>	<u>\$ 4,719,165</u>	<u>\$ 7,320,845</u>	<u>2.30</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy sets specific parameters by type of investment to be met at the time of purchase. Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy, and the actual rating as of year end for each investment type.

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Rating</u>	<u>% of Portfolio</u>
Federal Farm Credit Bank	N/A	AA+	Aaa	33.99%
Federal Home Loan Bank	N/A	AA+	Aaa	6.76%
Federal Home Loan Mortgage Corporation	N/A	AA+	Aaa	10.18%
Federal National Mortgage Association	N/A	AA+	Aaa	13.54%
Corporate bonds	A	WR (1)	WR(1)	.31%
Certificates of deposit	N/A	Unrated	Unrated	3.41%
Placer County Investment Pool	N/A	Unrated	Unrated	31.23%
LAIF	N/A	Unrated	Unrated	.58%
Total				<u>100.00%</u>

- (1) Investment in Lehman Brothers corporate bonds. Corporation filed for bankruptcy in 2008 and rating was withdrawn. Bonds matured January 18, 2012 and are held in escrow.

Custodial Credit Risk for Investments - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the City's investment policy requires that all of its managed investments shall be held in the name of the City in safekeeping by a third party bank trust department. Custodial credit risk does not apply to a local government's indirect investments in securities through use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and eternal investment pools) at June 30, 2014, that represent 5 percent or more of total City investments are as follows:

<u>Investment Type</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Federal Farm Credit Bank	\$ 2,488,263	33.99%
Federal Home Loan Bank	494,545	6.76%
Federal Home Loan Mortgage Corporation	745,387	10.18%
Federal National Mortgage Association	990,970	13.54%

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

D. Investment in External Investment Pools

Investment in Placer County Investment Pool - The City of Auburn is a participant in the Placer County Investment Pool which is managed by the Placer County Treasurer. On a monthly basis, interest is allocated to participants based on average daily balances. The Placer County Treasury Oversight Committee oversees the Treasurer's investments and policies. Investments held in the County's investment pool are available on demand and are stated at amortized cost, which approximates fair value. The fair value of the City's position in the pool is the same as the value of the pooled shares.

Investment in Local Agency Investment Fund - The City of Auburn is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code and is managed by the Treasurer of the State of California. The Local Investment Advisory Board (LAIF Board) has oversight responsibility for LAIF. The LAIF Board consists of five members as designated by State statute. Investments in LAIF are available on demand and are stated at amortized cost, which approximates fair value. The fair value of the City's position in the pool is the same as the value of the pooled shares. At June 30, 2014 the City's investment position in LAIF was \$42,497. The total amount invested by all public agencies in LAIF on that day was \$64,846,169,129. Of that amount, 98.14% is invested in non-derivative financial products and 1.86% in structured notes and asset-backed securities.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2014, was as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance</u> <u>June 30, 2014</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 569,164	\$ 888,790	\$ 30	\$ 1,457,984
Total Capital Assets, Not Being Depreciated	<u>569,164</u>	<u>888,790</u>	<u>30</u>	<u>1,457,984</u>
Capital assets, being depreciated:				
Infrastructure	6,314,227	-	-	6,314,227
Buildings and improvements	5,230,205	31,767	-	5,261,972
Equipment	7,319,891	109,668	-	7,429,559
Land improvements	<u>13,141,046</u>	<u>-</u>	<u>-</u>	<u>13,141,046</u>
Total Capital Assets, Being Depreciated	<u>32,005,369</u>	<u>141,435</u>	<u>-</u>	<u>32,146,804</u>
Less accumulated depreciation for:				
Infrastructure	(1,713,598)	(304,542)	-	(2,018,140)
Buildings and improvements	(2,357,661)	(103,597)	-	(2,461,258)
Equipment	(5,264,797)	(312,175)	-	(5,576,972)
Land improvements	<u>(1,661,321)</u>	<u>(618,281)</u>	<u>-</u>	<u>(2,279,602)</u>
Total Accumulated Depreciation	<u>(10,997,377)</u>	<u>(1,338,595)</u>	<u>-</u>	<u>(12,335,972)</u>
Total Capital Assets, Being Depreciated, Net	<u>21,007,992</u>	<u>(1,197,160)</u>	<u>\$ -</u>	<u>19,810,832</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,577,156</u>	<u>(\$ 308,370)</u>	<u>\$ 30</u>	<u>\$ 21,268,816</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 4: CAPITAL ASSETS (CONTINUED)

Business-Type Activities

	Balance July 1, 2013	Additions	Transfers/ Retirements	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 2,874,395	\$ -	\$ -	\$ 2,874,395
Construction in progress	<u>11,251,584</u>	<u>613,379</u>	<u>(817,566)</u>	<u>11,047,397</u>
Total Capital Assets, Not Being Depreciated	<u>14,125,979</u>	<u>613,379</u>	<u>(817,566)</u>	<u>13,921,792</u>
Capital assets, being depreciated:				
Infrastructure	22,252,232	61,138	817,566	23,130,936
Equipment	<u>2,020,143</u>	<u>20,206</u>	<u>-</u>	<u>2,040,349</u>
Total Capital Assets, Being Depreciated	<u>24,272,375</u>	<u>81,344</u>	<u>817,566</u>	<u>25,171,285</u>
Less accumulated depreciation for:				
Infrastructure	(8,735,147)	(937,670)	-	(9,672,817)
Equipment	<u>(1,528,509)</u>	<u>(107,284)</u>	<u>-</u>	<u>(1,635,793)</u>
Total Accumulated Depreciation	<u>(10,263,656)</u>	<u>(1,044,954)</u>	<u>-</u>	<u>(11,308,610)</u>
Total Capital Assets, Being Depreciated, Net	<u>14,008,719</u>	<u>(963,610)</u>	<u>817,566</u>	<u>13,862,675</u>
Business-Type Activities Capital Assets, Net	<u>\$ 28,134,698</u>	<u>(\$ 350,231)</u>	<u>\$ -</u>	<u>\$ 27,784,467</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 71,440
Public safety	201,959
Transportation	<u>1,065,196</u>
Total Depreciation Expense – Governmental Functions	<u>\$ 1,338,595</u>

Depreciation expense was charged to the business-type functions as follows:

Airport	\$ 370,651
Sewer	<u>674,303</u>
Total Depreciation Expense – Business-Type Functions	<u>\$ 1,044,954</u>

Construction in Progress

Construction in progress for governmental activities relates primarily to work performed on Safe Routes to School, Palm Avenue sidewalk, APD CAD upgrade, and business license system.

Construction in progress for business-type activities relates primarily to work performed on the airport hangar project and sewer upgrade project.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 5: INTERFUND TRANSACTIONS

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due to and due from balances as of June 30, 2014:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 764,124	\$ -
Transportation	-	473,942
Nonmajor Governmental Funds	-	268,328
Private Purpose Trust Funds	-	21,854
Total	<u>\$ 764,124</u>	<u>\$ 764,124</u>

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations, and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2014:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 198,963	\$ -
Transportation	-	9,790
Nonmajor Governmental Funds	-	131,719
Airport	-	7,343
Sewer	-	50,111
Private Purpose Trust Funds	311,452	311,452
Total	<u>\$ 510,415</u>	<u>\$ 510,415</u>

NOTE 6: UNEARNED REVENUE

At June 30, 2014, components of unearned revenue were as follows:

	<u>Unearned</u>
Transportation	
Local transportation fund unspent allocations	\$ 369,625
Nonmajor Governmental funds	
Local transit fund unspent allocations	<u>288,278</u>
Total	<u>\$ 657,903</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

Type of Indebtedness	Balance July 1, 2013	Additions/ Adjustments	Retirements/ Adjustments	Balance June 30, 2014	Amounts Due Within One Year
Governmental Activities					
Pension obligation bonds	\$ 4,305,000	\$ -	(\$ 175,000)	\$ 4,130,000	\$ 200,000
Capital leases	610,349	-	(156,993)	453,356	159,490
Compensated absences	1,536,857	644,093	(656,316)	1,524,634	495,910
Net OPEB obligation	<u>347,382</u>	<u>100,979</u>	<u>(17,252)</u>	<u>431,109</u>	<u>-</u>
Total Governmental Activities	<u>\$ 6,799,588</u>	<u>\$ 745,072</u>	<u>(\$ 1,005,561)</u>	<u>\$ 6,539,099</u>	<u>\$ 855,400</u>
Business-Type Activities					
Loans	\$ 2,518,837	\$ -	(\$ 380,027)	\$ 2,138,810	\$ 385,164
Less: Discount	(340,098)	-	47,040	(293,058)	(47,040)
Loans, Net	2,178,739	-	(332,987)	1,845,752	338,124
Sewer revenue bonds	7,825,000	-	(165,000)	7,660,000	170,000
Less: Discount	(96,010)	-	3,693	(92,317)	(3,693)
Sewer revenue bonds, net	7,728,990	-	(161,307)	7,567,683	166,307
Compensated Absences	78,508	21,380	(21,933)	77,955	16,102
Net OPEB Obligation	<u>6,554</u>	<u>3,849</u>	<u>-</u>	<u>10,403</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 9,992,791</u>	<u>\$ 25,229</u>	<u>(\$ 516,227)</u>	<u>\$ 9,501,793</u>	<u>\$ 520,533</u>

For governmental activities, the capital lease liability is liquidated by lease payments made by the departments leasing the equipment. Compensated absences are generally liquidated by the fund where the accrued liability occurred. The net OPEB obligation for the governmental activities is generally liquidated by the fund where the accrued liability occurred.

For business-type activities, all debt is accounted for in the proprietary fund where the liability occurred.

Individual issues of debt payable outstanding at June 30, 2014, are as follows:

Governmental Activities

Pension Obligation Bonds:

Taxable Pension Obligation Bonds 2006 Series A-1, issued June 15, 2006, in the amount of \$4,965,000 and payable in annual installments of \$65,000 to \$340,000, with an interest rate of 5.69% to 5.93% and maturity on June 1, 2028. The bonds were used to pay the unfunded accrued actuarial liability to the California Public Employees' Retirement System.

	<u>\$ 4,130,000</u>
Total Pension Obligation Bonds	<u>4,130,000</u>
Total Governmental Activities	<u>\$ 4,130,000</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at June 30, 2014, are as follows (Continued):

Business-Type Activities

Loans:

State Department of Transportation loan, issued August 2002 in the amount of \$1,000,000 and payable in annual installments of \$55,556 to \$95,556, with an interest rate of 4.68% and maturity on January 24, 2018. Loan proceeds were used to finance the East Hangar project at the airport. \$ 337,778

State Department of Transportation loan, issued July 2005 in the amount of \$200,000 and payable in annual installments of \$9,561 to \$16,955, with an interest rate of 4.78% and maturity on July 30, 2017. Loan proceeds were used to finance the installation of new fuel tanks at the airport. 42,779

State Department of Water Resources loan, issued February 23, 1998 in the amount of \$2,173,820 and payable in annual installments of \$108,691, with an interest rate of 0.0% and maturity on January 13, 2019. Loan proceeds were used to finance construction of the wastewater treatment plant improvement project phase 1A. 543,455

State Department of Water Resources loan, issued April 21, 1999 in the amount of \$2,892,368 and payable in annual installments of \$173,543, with an interest rate of 0.0% and maturity on March 1, 2021. Loan proceeds were used to finance construction of the wastewater treatment plant improvement project phase 1B. 1,214,798

Total Loans 2,138,810

Sewer Revenue Bonds:

Wastewater Revenue Bonds Series 2009, issued August 5, 2009 in the amount of \$8,525,000 and payable in annual installments of \$155,000 to \$530,000, with an interest rate of 2.00% to 5.50% and maturity on June 1, 2039. The bonds were used to finance the acquisition and construction of wastewater treatment plant improvements. 7,660,000

Total Sewer Revenue Bonds 7,660,000

Total Business-Type Activities \$ 9,798,810

Following is a schedule of debt payment requirements of governmental activities and business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities, capital leases which are reported in Note 8, and net OPEB obligation which is reported in Note 14.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities

Year Ended June 30	Pension Obligation Bonds		
	Principal	Interest	Total
2015	\$ 200,000	\$ 244,036	\$ 444,036
2016	230,000	232,356	462,356
2017	255,000	218,924	473,924
2018	285,000	203,879	488,879
2019	320,000	187,064	507,064
2020-2024	1,640,000	620,523	2,260,523
2025-2028	<u>1,200,000</u>	<u>186,795</u>	<u>1,386,795</u>
Total	<u>\$ 4,130,000</u>	<u>\$ 1,893,577</u>	<u>\$ 6,023,577</u>

Business-Type Activities

Year Ended June 30	Loans		
	Principal	Interest	Total
2015	\$ 385,164	\$ 17,865	\$ 403,029
2016	390,299	13,028	403,327
2017	387,351	7,951	395,302
2018	346,677	3,018	349,695
2019	282,234	-	282,234
2020-2021	<u>347,085</u>	<u>-</u>	<u>347,085</u>
Total	<u>\$ 2,138,810</u>	<u>\$ 41,862</u>	<u>\$ 2,180,672</u>

Year Ended June 30	Sewer Revenue Bonds		
	Principal	Interest	Total
2015	\$ 170,000	\$ 387,275	\$ 557,275
2016	175,000	381,325	556,325
2017	180,000	374,325	554,325
2018	190,000	367,125	557,125
2019	195,000	359,525	554,525
2020-2024	1,125,000	1,659,094	2,784,094
2025-2029	1,415,000	1,365,313	2,780,313
2030-2034	1,830,000	959,800	2,789,800
2035-2039	<u>2,380,000</u>	<u>407,000</u>	<u>2,787,000</u>
Total	<u>\$ 7,660,000</u>	<u>\$ 6,260,782</u>	<u>\$ 13,920,782</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 8: LEASES

Capital Leases

The City has entered into certain capital lease agreements under which the related equipment will become the property of the City when all terms of the lease agreements are met.

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments at June 30, 2014</u>
Governmental activities	9.83%	\$ 453,356
Total		<u>\$ 453,356</u>

Equipment and related accumulated depreciation acquired under capital leases is as follows:

	<u>Governmental Activities</u>
Cost of equipment	\$ 743,876
Less: accumulated depreciation	(133,420)
Net Value	<u>\$ 610,456</u>

As of June 30, 2014, capital lease annual amortization was as follows:

<u>Year Ended June 30</u>	<u>Governmental Activities</u>
2015	\$ 169,673
2016	108,951
2017	100,371
2018	<u>96,181</u>
Total Requirements	475,176
Less Interest	(21,822)
Present Value of Remaining Payments	<u>\$ 453,354</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 9: RENTAL INCOME FROM LEASES

The City leases property under noncancelleable tenant operating leases. The following is a schedule of future minimum lease payments:

Year Ended <u>June 30</u>	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
2015	\$ 188,403	\$ 665,243
2016	188,403	665,243
2017	188,403	665,243
2018	188,403	663,719
2019	188,403	637,967
2020-2024	942,015	3,189,835
2025-2029	915,237	3,102,279
2030-2034	875,070	2,727,565
2035-2039	803,552	1,724,462
2040-2044	506,063	1,406,453
2045-2049	107,367	578,740
2050-2054	-	30,255
2050-2059	-	26,535
2060	-	5,307
	<u>\$ 5,091,319</u>	<u>\$ 16,088,846</u>
Total Rental Income From Leases		

NOTE 10: POSTCLOSURE

The City of Auburn has postclosure responsibility for one landfill site (located on the Auburn Municipal Airport). State and federal laws and regulations require that the City of Auburn place a final cover over its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years following its closure. Closure procedures have been performed and postclosure activity is recorded in a special revenue fund. Postclosure maintenance activities are funded by a 1.21 percent surcharge on refuse collection fees. The landfill was closed in 1984 and the City has amortized the postclosure liability over thirty years. The liability balance at June 30, 2014 was \$0.

The City of Auburn is required by state and federal laws and regulations to make annual contributions to finance postclosure care costs. The costs of these procedures was funded on a pay as you go basis. The City did not adopt a pledge of revenue to fund these costs. At June 30, 2014, the City was still holding bank deposits and federal securities in the amount of \$557,833 for this purpose.

Additionally, the City recognizes that there is a risk of future landfill gas migration or groundwater contamination, which could result in bodily injury and/or property damage liability claims against the City. Accordingly, the City has secured a "third party pollution liability" insurance agreement (underwritten by Illinois Union Insurance Company) to pay for any damages arising out of claims which might result from future pollution conditions that might result from the landfill site. This insurance coverage applies to groundwater contamination from leakages, but excludes remediation of landfill gas that might migrate from the closed landfill site. The aggregate coverage limit is \$1,500,000 and there is a policy deductible of \$100,000 for each pollution condition.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 11: NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$3,882,876 of restricted net position, of which \$1,345,720 is restricted by enabling legislation.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position is available, it is considered that restricted resources are used first, followed by the unrestricted resources.

NOTE 12: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2014, fund balance for governmental funds are made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted with consent of resource providers.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 12: FUND BALANCES (CONTINUED)

- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision making authority for the City that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the City's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the City's General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The fund balances for all major and nonmajor governmental funds as of June 30, 2014, were distributed as follows:

	<u>General</u>	<u>Transportation</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:				
Prepaid costs	\$ 68,408	\$ -	\$ 3,359	\$ 71,767
Subtotal	<u>68,408</u>	<u>-</u>	<u>3,359</u>	<u>71,767</u>
Restricted For:				
Property seizures	-	-	81,609	81,609
Street maintenance and construction	-	-	182,899	182,899
Maidu Fire Station	-	-	37,875	37,875
Solid Waste Management	-	-	642,861	642,861
Law enforcement services	-	-	5,524	5,524
Fire protection services	-	-	87,988	87,988
Community development	-	-	847,759	847,759
Capital projects	<u>-</u>	<u>-</u>	<u>1,434,439</u>	<u>1,434,439</u>
Subtotal	<u>-</u>	<u>-</u>	<u>3,320,954</u>	<u>3,320,954</u>
Committed to:				
Contingencies	<u>2,250,000</u>	<u>-</u>	<u>-</u>	<u>2,250,000</u>
Subtotal	<u>2,250,000</u>	<u>-</u>	<u>-</u>	<u>2,250,000</u>
Unassigned	<u>1,127,255</u>	<u>(754,524)</u>	<u>(237,738)</u>	<u>134,993</u>
Total	<u>\$ 3,445,663</u>	<u>(\$ 754,524)</u>	<u>\$ 3,086,575</u>	<u>\$ 5,777,714</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 12: FUND BALANCES (CONTINUED)

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance is available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The City Council has not adopted a formal fund balance which would establish procedures for reporting fund balance classifications and establish a hierarchy for fund balance expenditures. However, the City has adopted by resolution a policy to maintain a General fund commitment for contingencies in the amount of \$2,250,000. This commitment can only be expended upon approval by the City Council and is intended to meet unforeseen contingencies such as emergencies, revenue shortfall, mandates or unanticipated inflation. It is not intended for routine capital projects or general operations.

NOTE 13: EMPLOYEES' RETIREMENT PLAN

A. Plan Description

The City contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their executive office - 400 Q Street, Lincoln Plaza East, Sacramento, CA 95811.

Effective January 1, 2013, the City added retirement tiers for the Miscellaneous Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 13: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

B. Funding Policy

For active plan members preceding PEPRA, Miscellaneous Plan members pay 7 percent of their annual covered salary while Safety Plan members pay 9 percent of their annual covered salary. Auburn Employee Association members pay 6.27 percent of their annual covered salary. For active plan members included in PEPRA, Miscellaneous Plan members pay 6.25 percent of their annual covered salary while Safety Plan members pay 13.50 percent of their annual covered salary. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The City has committed to contribute a portion of the required employee contribution in addition to their own required contributions. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established by PERS. Both the Miscellaneous and Safety Plans include a cost sharing agreement which determines whether a portion of the members' contribution is paid by the City or whether a portion of the employers' contribution is paid by the member. Results of the cost sharing agreements are as follows:

	Member Share		City Share		Total	
	Member	City	Member	City	Member	City
Miscellaneous						
Classic	7.000%	0.000%	0.000%	11.630%	7.000%	11.630%
Auburn Employee Association	6.270%	0.730%	0.000%	11.630%	6.270%	12.360%
PEPRA						
No MOU	6.250%	0.000%	0.000%	6.250%	6.250%	6.250%
Safety Police						
Classic First Tier	9.000%	0.000%	0.000%	26.586%	9.000%	26.586%
Classic Second Tier	9.000%	0.000%	0.000%	20.084%	9.000%	20.084%
Safety Fire						
Classic First Tier	9.000%	0.000%	0.000%	31.516%	9.000%	31.516%
Classic Second Tier	9.000%	0.000%	0.000%	24.810%	9.000%	24.810%
PEPRA						
No MOU	13.500%	0.000%	0.000%	13.700%	13.500%	13.700%

The City's contributions for the years ending June 30, 2014, 2013, and 2012 were \$267,473, \$283,743, and \$269,673 for the Miscellaneous plans and \$773,040, \$750,204, and \$676,909 for the Safety plans, which equaled the required contributions each year.

The City's annual pension cost and prepaid pension asset, computed in accordance with GASB 27, Accounting for Pensions by State and Local Governmental Employers, for the year ended June 30, 2014, were as follows:

Annual required contribution	\$ 1,063,681
Less: Interest on pension asset	(351,233)
Plus: Amortization of pension asset	<u>262,814</u>
Net pension cost	975,262
Actual contributions made	<u>959,552</u>
Increase (decrease) in pension asset	(15,710)
Net pension asset, beginning	<u>4,640,236</u>
Net pension asset, ending	<u>\$ 4,624,526</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 13: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

B. Funding Policy (Continued)

The following table shows the City's annual pension cost and the percentage contributed for the fiscal year 2013-2014 and each of the two preceding fiscal years:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Contributions</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
June 30, 2012	\$ 908,101	\$ 946,582	104%	\$ 4,530,973
June 30, 2013	924,684	1,033,947	112%	4,640,236
June 30, 2014	975,262	959,552	98%	4,624,526

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The City of Auburn Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the City. The Plan provides healthcare insurance benefits to eligible retirees. Benefit provisions are established and may be amended by the City. The Retiree Healthcare Plan does not issue a publicly available financial report.

The City provides retiree medical benefits through California Public Employees Retirement System healthcare program. The City contributes the Public Employees' Medical and Hospital Care Act (PEMHCA) minimum required employer contribution (\$115 per month in 2013) towards the retiree monthly premium for eligible retirees participating in PEMHCA.

B. Funding Policy

The contribution requirements of the plan members and the City are established and may be amended by the City. The City is not pre-funding the plan.

The annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45 - Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. The City elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The City's ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of 30 years. The fiscal year 2013/14 ARC is \$112,266.

For 2013/14, the City contributed \$17,252 to the Plan as the amount of healthcare insurance benefits reimbursed to eligible employees.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the City's net OPEB obligation.

Annual required contribution	\$ 112,266
Interest on net OPEB Obligation	10,618
Adjustment to Annual Required Contribution	(18,056)
Annual OPEB Cost	104,828
Contributions Made	(17,252)
Increase (decrease) in Net OPEB Obligation	87,576
Net OPEB Obligation Beginning	<u>353,936</u>
Net OPEB Obligation Ending	<u>\$ 441,512</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and prior two years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 98,782	14.54%	\$ 257,305
June 30, 2013	112,266	13.93%	353,936
June 30, 2014	104,828	16.46%	441,512

D. Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability was \$951,268 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$951,268. The covered payroll (annual payroll of employees covered by the plan) was \$5,374,311, and the ratio of the UAAL to the covered payroll was 17.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the Annual Required Contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information (as it becomes available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

E. Actuarial Methods and Assumptions (Continued)

The following simplifying assumptions were made:

Retirement age for active employees - Based on the historical retirement age for the covered group, active plan members were assumed to retire at age 50, or at the first subsequent year in which the member would qualify for benefits.

Marital status - Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the Centers for Disease Control and Prevention website and then averaged for the City as a whole.

Turnover - Non-group specific age based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on projects provided by CalPERS. A rate of 2.68 percent for 2014 decreased to 2.5 percent annually thereafter was used.

Health insurance premiums - 2013 projected PEMHCA minimum required employer contribution amounts of \$115 per month for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate - The expected long-term inflation assumption of 2.5 percent was based on historical trends in United States inflation.

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the City's long-term investment portfolio, a discount rate of 3 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2014 was twenty-six years.

NOTE 15: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster.

There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount for the loss can be reasonably estimated.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 15: RISK MANAGEMENT (CONTINUED)

There were no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverage for each of the past three fiscal years.

The City is a member of Northern California Cities Self-Insurance Fund (NCCSIF), a joint powers agency which provides the City with a shared risk layer of coverage above the self-insured retention amount for liability and workers' compensation. The City pays an annual premium to NCCSIF for its insurance coverage.

General Liability Coverage: Annual deposits are paid by member cities and are adjusted retrospectively to cover costs. Each member city, including Auburn, self-insures for the first \$50,000 of each loss. Participating cities share in loss occurrences in excess of \$50,000 up to a maximum of \$500,000. Premiums accrue based on the ultimate cost of the experience of the group of Cities. Coverage in excess of \$500,000 is provided through the California Joint Powers Insurance Risk Management Authority, a joint powers authority organized to provide excess coverage for its members.

Workers' Compensation Coverage: Annual deposits are paid by member cities and are adjusted retrospectively to cover costs. The City self-insured for the first \$100,000 of each loss and has purchased excess coverage with limits of \$5,000,000 per occurrence.

NCCSIF is a joint powers agency organized in accordance with Article 1, Chapter 5, Division 7, Title 1 of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The Authority provides claims processing administrative services, risk management services, and actuarial studies. It is governed by a member from each city. The City of Auburn council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. However, ultimate liability for payment of claims and insurance premiums resides with member cities. The Authority is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA becomes insolvent, the City is responsible only to the extent of any deficiency in its equity balance.

Upon termination of the JPA agreement, all property of the Authority will vest in the respective parties which theretofore transferred, conveyed or leased said property to the Authority. Any surplus of funds will be returned to the parties in proportion to actual balances of each equity.

The Authority establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 15: RISK MANAGEMENT (CONTINUED)

The participants as of June 30, 2014 were as follows:

- | | |
|---|--|
| <ul style="list-style-type: none"> • Anderson • Auburn • Colusa • Corning • Dixon • Elk Grove • Folsom • Galt • Gridley • Ione • Jackson | <ul style="list-style-type: none"> • Lincoln • Marysville • Nevada City • Oroville • Paradise • Placerville • Red Bluff • Rio Vista • Rocklin • Willows • Yuba City |
|---|--|

The City's equity investment in the NCCSIF of \$72,952 is recorded in the General fund as Investment in JPA. The net change in equity is shown as an income or expenditure item in the General fund.

NOTE 16: OTHER INFORMATION

A. Commitments and Contingencies

At June 30, 2014, the City had construction contracts outstanding of approximately \$3,633,840 for the Palm Avenue sidewalk project, APD CAD upgrade, Old City Hall renovation, Nevada Street Bicycle project, Airport East End Hangar project, and Sewer Oxidation Ditch.

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

B. Successor Agency Trust for Assets of Former Redevelopment Agency

In accordance with Assembly Bill 1X26 and Assembly Bill 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. The activity of the Successor Agency Trust for Assets of Former Redevelopment Agency (Successor Agency) is recorded in a private purpose trust.

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

Type of Indebtedness	Balance July 1, 2013	Additions/ Adjustments	Retirements	Balance June 30, 2014	Amounts Due Within One Year
Tax allocation bonds	\$ 4,320,000	\$ -	(\$ 85,000)	\$ 4,235,000	\$ 90,000
Less: Discount	(85,562)	-	3,423	(82,139)	(3,423)
Tax allocation bonds, net	4,234,438	-	(81,577)	4,152,861	86,577
Total	\$ 4,234,438	\$ -	(\$ 81,577)	\$ 4,152,861	\$ 86,577

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 16: OTHER INFORMATION (CONTINUED)

B. Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Individual issues of debt payable outstanding at June 30, 2014, are as follows:

Tax Allocation Bonds:

Auburn Urban Development Authority 2008 Tax Allocation Bonds, issued October 7, 2008 in the amount of \$4,805,000 and payable in annual installments of \$75,000 to \$315,000, with an interest rate of 3.00% to 6.00% and maturity on June 1, 2038. The bonds were used to finance redevelopment activities.

\$ 4,235,000

Total Tax Allocation Bonds

\$ 4,235,000

Following is a schedule of debt payment requirements to maturity for long-term debt:

Year Ended <u>June 30</u>	<u>Tax Allocation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 90,000	\$ 248,530	\$ 338,530
2016	90,000	244,408	334,408
2017	95,000	240,205	335,205
2018	100,000	235,455	335,455
2019	105,000	230,205	335,205
2020-2024	630,000	1,054,740	1,684,740
2025-2029	840,000	842,400	1,682,400
2030-2034	1,120,000	558,600	1,678,600
2035-2038	<u>1,165,000</u>	<u>179,700</u>	<u>1,344,700</u>
Total	<u>\$ 4,235,000</u>	<u>\$ 3,834,243</u>	<u>\$ 8,069,243</u>

C. Subsequent Events

Management has evaluated events subsequent to June 30, 2014 through January 26, 2015, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

**Required Supplementary Information
(Unaudited)**

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CITY OF AUBURN
Required Supplementary Information
For the Year Ended June 30, 2014

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Schedule of Funding Progress - Other Postemployment Benefits provides a consolidated snapshot of the City's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

The table below shows a three year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30, 2013 for the City Other Postemployment Benefit Plan.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Entry Age UAAL as a % of Covered Payroll</u>
June 30, 2011	\$ -	\$ 822,507	\$ 822,507	0.0%	\$ 5,351,958	15.4%
June 30, 2012	-	852,838	852,838	0.0%	5,574,054	15.3%
June 30, 2013	-	951,268	951,268	0.0%	5,374,311	17.7%

CITY OF AUBURN
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 7,864,365	\$ 7,864,365	\$ 7,948,762	\$ 84,397
Licenses and permits	293,600	293,600	303,354	9,754
Fines and forfeitures	72,500	72,500	50,287	(22,213)
Use of money and property	325,000	325,000	363,176	38,176
Other governmental agencies	673,000	665,500	1,138,425	472,925
Charges for services	95,590	95,590	112,663	17,073
Other revenues	2,500	10,000	28,041	18,041
Total Revenues	9,326,555	9,326,555	9,944,708	618,153
EXPENDITURES				
Current:				
General government:				
City council	70,021	70,021	81,711	(11,690)
City manager	143,472	143,472	227,333	(83,861)
City clerk	86,718	86,718	93,237	(6,519)
Administrative services	386,421	386,421	370,208	16,213
City attorney	150,000	150,000	170,786	(20,786)
Information technology	121,000	121,000	146,954	(25,954)
Insurance programs	303,300	303,300	122,708	180,592
Support for community programs	90,204	90,204	31,907	58,297
Total General Government	1,351,136	1,351,136	1,244,844	106,292
Public Safety:				
Police	3,358,700	3,358,700	3,611,405	(252,705)
Fire	2,185,972	2,185,972	2,350,282	(164,310)
Total Public Safety	5,544,672	5,544,672	5,961,687	(417,015)
Transportation:				
Administration and engineering	115,108	115,108	160,845	(45,737)
Building maintenance	249,300	249,300	263,440	(14,140)
Construction and maintenance	414,549	414,549	462,069	(47,520)
Yard and shop	213,505	213,505	209,186	4,319
Stormwater management	24,500	24,500	32,295	(7,795)
Total Transportation	1,016,962	1,016,962	1,127,835	(110,873)
Community development:				
Administration	429,385	429,385	480,969	(51,584)
Building inspections	213,349	213,349	213,966	(617)
Total Community Development	642,734	642,734	694,935	(52,201)

CITY OF AUBURN
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
EXPENDITURES				
Nondepartmental:				
Debt service	523,342	523,342	601,483	(78,141)
Capital outlay	206,000	206,000	59,571	146,429
Total Nondepartmental	<u>729,342</u>	<u>729,342</u>	<u>661,054</u>	<u>68,288</u>
Total Expenditures	<u>9,284,846</u>	<u>9,284,846</u>	<u>9,690,355</u>	<u>(405,509)</u>
Excess of Revenues Over (Under) Expenditures	<u>41,709</u>	<u>41,709</u>	<u>254,353</u>	<u>212,644</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	155,803	155,803	198,963	43,160
Total Other Financing Sources (Uses)	<u>155,803</u>	<u>155,803</u>	<u>198,963</u>	<u>43,160</u>
Net Change in Fund Balance	<u>197,512</u>	<u>197,512</u>	<u>453,316</u>	<u>255,804</u>
Fund Balance - Beginning	<u>2,992,347</u>	<u>2,992,347</u>	<u>2,992,347</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,189,859</u>	<u>\$ 3,189,859</u>	<u>\$ 3,445,663</u>	<u>\$ 255,804</u>

CITY OF AUBURN
Required Supplementary Information
Budgetary Comparison Schedule
Transportation - Major Special Revenue Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 2,000	\$ 2,000	\$ 1,658	\$ (342)
Intergovernmental	1,609,897	1,278,509	330,159	(948,350)
Total Revenues	<u>1,611,897</u>	<u>1,280,509</u>	<u>331,817</u>	<u>(948,692)</u>
EXPENDITURES				
Current:				
Transportation	73,750	73,750	234,704	(160,954)
Capital outlay	1,802,572	1,802,572	841,847	960,725
Total Expenditures	<u>1,876,322</u>	<u>1,876,322</u>	<u>1,076,551</u>	<u>799,771</u>
Excess of Revenues Over (Under) Expenditures	<u>(264,425)</u>	<u>(595,813)</u>	<u>(744,734)</u>	<u>(148,921)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	331,388	-	(331,388)
Transfers out	-	-	(9,790)	(9,790)
Total Other Financing Sources (Uses)	<u>-</u>	<u>331,388</u>	<u>(9,790)</u>	<u>(341,178)</u>
Net Change in Fund Balance	<u>(264,425)</u>	<u>(264,425)</u>	<u>(754,524)</u>	<u>(490,099)</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (264,425)</u>	<u>\$ (264,425)</u>	<u>\$ (754,524)</u>	<u>\$ (490,099)</u>

CITY OF AUBURN
Required Supplementary Information
Notes to Budgetary Comparison Schedule
For the Year Ended June 30, 2014

BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue funds, Capital Project funds, Debt Service funds and Enterprise funds and is controlled at the department level for the City. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The following procedures are performed by the City in establishing the budgetary data reflected in the financial statements:

- (1) The City Manager and City Administrative Services Director submits to the City Council a recommended operating budget for the fiscal year commencing the following July 1. The operating budget includes recommended expenditures and the means of financing them.
- (2) Public hearings, when required, are conducted at City Hall to obtain taxpayer comments.
- (3) Prior to July 1 (when possible), the budget is legally enacted through passage of a formal resolution.
- (4) Any revisions which alter the total expenditures of any fund must be approved by the City Council.

Budgeted amounts are as originally adopted or as subsequently revised by the City Council. All unused appropriations for budgeted amounts lapse at the end of the year.

Annual appropriated budgets are not adopted for certain funds established to meet or satisfy a specific purpose. For the fiscal year ended June 30, 2014, the following funds were considered established for a specific purpose and did not have annual appropriated budgets:

Maidu Fire Station
Hwy 49 Beautification
Project Fund

The City does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

CITY OF AUBURN
Required Supplementary Information
Notes to Budgetary Comparison Schedule
For the Year Ended June 30, 2014

BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following General fund departments had an excess of expenditures over appropriations at the legal level of budgetary control as follows:

<u>Fund</u>	<u>Department</u>	<u>Excess of Expenditures Over Appropriations</u>
General fund	City council	\$ 11,690
	City manager	83,861
	City clerk	6,519
	City attorney	20,786
	Information technology	25,954
	Police	252,705
	Fire	164,310
	Administration and engineering	45,737
	Building maintenance	14,140
	Construction and maintenance	47,520
	Stormwater management	7,795
	Administration	51,584
	Building inspections	617
	Debt service	78,141

**Combining and Individual Fund Statements and
Schedules**

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Nonmajor Governmental Funds

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CITY OF AUBURN
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds	Capital Projects Funds	Totals
ASSETS			
Cash and investments	\$ 822,541	\$ 1,345,720	\$ 2,168,261
Receivables:			
Accounts	26,871	-	26,871
Intergovernmental	316,453	-	316,453
Prepaid costs	3,359	-	3,359
Restricted cash and investments	557,833	-	557,833
Loans receivable	628,859	-	628,859
	Total Assets	Total Assets	Total Assets
	\$ 2,355,916	\$ 1,345,720	\$ 3,701,636
LIABILITIES			
Accounts payable	\$ 42,064	\$ -	\$ 42,064
Accrued salaries and benefits	15,073	-	15,073
Deposits payable	-	1,318	1,318
Due to other funds	36,677	231,651	268,328
Unearned revenue	288,278	-	288,278
	Total Liabilities	Total Liabilities	Total Liabilities
	382,092	232,969	615,061
FUND BALANCES			
Nonspendable	3,359	-	3,359
Restricted	1,975,234	1,345,720	3,320,954
Unassigned	(4,769)	(232,969)	(237,738)
	Total Fund Balances	Total Fund Balances	Total Fund Balances
	1,973,824	1,112,751	3,086,575
	Total Liabilities and Fund Balances	Total Liabilities and Fund Balances	Total Liabilities and Fund Balances
	\$ 2,355,916	\$ 1,345,720	\$ 3,701,636

CITY OF AUBURN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds	Capital Projects Funds	Totals
REVENUES			
Taxes	\$ 21,956	\$ -	\$ 21,956
Licenses and permits	31,270	266	31,536
Use of money and property	13,145	26,138	39,283
Intergovernmental	1,361,957	175,000	1,536,957
Charges for services	30,773	28	30,801
Other revenues	24,612	-	24,612
Total Revenues	1,483,713	201,432	1,685,145
EXPENDITURES			
Current:			
General government	40,610	-	40,610
Public safety	173,711	-	173,711
Transportation	775,258	4,357	779,615
Community development	239,502	-	239,502
Capital outlay	128,807	-	128,807
Total Expenditures	1,357,888	4,357	1,362,245
Excess of Revenues Over (Under) Expenditures	125,825	197,075	322,900
OTHER FINANCING SOURCES (USES)			
Transfers out	(131,719)	-	(131,719)
Total Other Financing Sources (Uses)	(131,719)	-	(131,719)
Net Change in Fund Balances	(5,894)	197,075	191,181
Fund Balances - Beginning	1,979,718	915,676	2,895,394
Fund Balances - Ending	\$ 1,973,824	\$ 1,112,751	\$ 3,086,575

Nonmajor Governmental Funds

- **Special Revenue Funds**

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CITY OF AUBURN
Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenues that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. Nonmajor special revenue funds used by the City are listed below:

State Gas Tax Fund

The State Gas Tax fund accounts for gas tax revenue allocations from the State. Funds received are restricted to expenditures for street maintenance, traffic safety, and construction.

Transit Fund

The Transit fund is used to account for all revenues and expenditures necessary to provide public transit services and to construct and maintain transit related facilities and infrastructure.

Property Seizures Fund

This fund accounts for cash and assets seized as a result of law enforcement activities. Generally, such funds are held on deposit until expiration of the required holding period and/or funds are provided to appropriate parties.

Maidu Fire Station Fund

This fund accounts for development impact fees received for the maintenance and upkeep of the Maidu Fire Station. The Fire Department periodically appropriates these funds towards upkeep of the station and for the purchase of new equipment.

HOME Housing Rehabilitation & First Time Homebuyer Fund

The HOME Housing Rehabilitation and First Time Homebuyer (Community Development Block Grant Fund) is used to account for monies received from the State and Federal governments and loaned by the City to individuals buying a home for the first time and/or engaging in applicable home rehabilitation activities. Funds, when repaid, are provided to new individuals qualifying for loans.

Small Business Loans (Community Development Block Grant) Fund

The Small Business Loans (Community Development Block Grant) Fund is used to account for monies received from the State and Federal governments and loaned by the City to individuals and businesses to encourage small business growth. Funds, when repaid, are provided to new businesses.

Solid Waste Management Fund

The Solid Waste Management Funds are used to account for recycling programs funded by State grants and program expenditures related to the City's closed landfill located at the Auburn Municipal Airport.

Office of Traffic Safety Grant Fund

The Office of Traffic Safety (OTS) Grant fund is used to account for OTS grant funds received and the corresponding eligible expenditures as authorized by the grants.

CITY OF AUBURN
Nonmajor Special Revenue Funds

State Law Enforcement Personnel Grant Fund

The State Law Enforcement Personnel Grant Fund accounts for grant revenues received from the State which must be wholly spent for Law Enforcement personnel. These funds reimburse the General fund for approximately 2.0 FTE Police Officers.

Facilities and Equipment Plan Fund

The Facilities and Equipment Plan Fund accounts for revenues received through mitigation fees assessed on construction of new residential units and renovation of commercial and industrial spaces. Revenues received are used to fund recurring capital outlay as it relates to the purchase of equipment for citywide departments.

Miscellaneous Grant Funds

These funds account for grant revenues received for public safety (i.e. FEMA/Law Enforcement) activities. Generally, these funds must be used for specific law enforcement and fire activities.

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CITY OF AUBURN
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

	State Gas Tax	Transit	Property Seizures	Maidu Fire Station	HOME Housing Rehabilitation & First Time Homebuyer
ASSETS					
Cash and investments	\$ 95,277	\$ 150,368	\$ 60,653	\$ 37,875	\$ 16,561
Receivables:					
Accounts	-	-	20,956	-	-
Intergovernmental	105,759	154,678	-	-	-
Prepaid costs	-	3,359	-	-	-
Restricted cash and investments	-	-	-	-	-
Loans receivable	-	-	-	-	300,455
Total Assets	\$ 201,036	\$ 308,405	\$ 81,609	\$ 37,875	\$ 317,016
LIABILITIES					
Accounts payable	\$ 15,137	\$ 5,054	\$ -	\$ -	\$ 4,500
Accrued salaries and benefits	-	15,073	-	-	-
Due to other funds	3,000	-	-	-	570
Unearned revenue	-	288,278	-	-	-
Total Liabilities	18,137	308,405	-	-	5,070
FUND BALANCES					
Nonspendable	-	3,359	-	-	-
Restricted	182,899	-	81,609	37,875	311,946
Unrestricted	-	(3,359)	-	-	-
Total Fund Balances	182,899	-	81,609	37,875	311,946
Total Liabilities and Fund Balances	\$ 201,036	\$ 308,405	\$ 81,609	\$ 37,875	\$ 317,016

Small Business Loans	Solid Waste Management	Office of Traffic Safety Grant	State Law Enforcement Grant	Facilities and Equipment	Miscellaneous Grants	Totals
\$ 207,409	\$ 34,536	\$ -	\$ 31,715	\$ 100,159	\$ 87,988	\$ 822,541
-	-	5,915	-	-	-	26,871
-	50,492	-	5,524	-	-	316,453
-	-	-	-	-	-	3,359
-	557,833	-	-	-	-	557,833
328,404	-	-	-	-	-	628,859
<u>\$ 535,813</u>	<u>\$ 642,861</u>	<u>\$ 5,915</u>	<u>\$ 37,239</u>	<u>\$ 100,159</u>	<u>\$ 87,988</u>	<u>\$ 2,355,916</u>
\$ -	\$ -	\$ 5,933	\$ -	\$ 11,440	\$ -	\$ 42,064
-	-	-	-	-	-	15,073
-	-	1,392	31,715	-	-	36,677
-	-	-	-	-	-	288,278
-	-	7,325	31,715	11,440	-	382,092
-	-	-	-	-	-	3,359
535,813	642,861	-	5,524	88,719	87,988	1,975,234
-	-	(1,410)	-	-	-	(4,769)
535,813	642,861	(1,410)	5,524	88,719	87,988	1,973,824
<u>\$ 535,813</u>	<u>\$ 642,861</u>	<u>\$ 5,915</u>	<u>\$ 37,239</u>	<u>\$ 100,159</u>	<u>\$ 87,988</u>	<u>\$ 2,355,916</u>

CITY OF AUBURN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014

	State Gas Tax	Transit	Property Seizures	Maidu Fire Station	HOME Housing Rehabilitation & First Time Homebuyer
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Use of money and property	(39)	3,786	-	-	(319)
Intergovernmental	434,825	415,995	-	-	205,058
Charges for services	-	30,773	-	-	-
Other revenues	-	140	24,472	-	-
Total Revenues	434,786	450,694	24,472	-	204,739
EXPENDITURES					
Current:					
General government	-	-	18,613	-	-
Public safety	-	-	-	-	-
Transportation	372,334	402,924	-	-	-
Community development	-	-	-	-	52,679
Capital outlay	12,629	27,660	17,168	-	-
Total Expenditures	384,963	430,584	35,781	-	52,679
Excess of Revenues Over (Under) Expenditures	49,823	20,110	(11,309)	-	152,060
OTHER FINANCING SOURCES (USES)					
Transfers out	(9,790)	(20,110)	-	-	-
Total Other Financing Sources (Uses)	(9,790)	(20,110)	-	-	-
Net Change in Fund Balance	40,033	-	(11,309)	-	152,060
Fund Balances - Beginning	142,866	-	92,918	37,875	159,886
Fund Balances - Ending	\$ 182,899	\$ -	\$ 81,609	\$ 37,875	\$ 311,946

Small Business Loans	Solid Waste Management	Office of Traffic Safety Grant	State Law Enforcement Grant	Facilities and Equipment	Miscellaneous Grants	Totals
\$ -	\$ 21,956	\$ -	\$ -	\$ -	\$ -	\$ 21,956
-	-	-	-	31,270	-	31,270
5,634	955	(1)	-	3,129	-	13,145
165,293	5,000	18,569	100,000	-	17,217	1,361,957
-	-	-	-	-	-	30,773
-	-	-	-	-	-	24,612
<u>170,927</u>	<u>27,911</u>	<u>18,568</u>	<u>100,000</u>	<u>34,399</u>	<u>17,217</u>	<u>1,483,713</u>
-	-	10,870	-	11,127	-	40,610
-	160,363	-	-	-	13,348	173,711
-	-	-	-	-	-	775,258
186,823	-	-	-	-	-	239,502
-	-	9,108	-	62,242	-	128,807
<u>186,823</u>	<u>160,363</u>	<u>19,978</u>	<u>-</u>	<u>73,369</u>	<u>13,348</u>	<u>1,357,888</u>
<u>(15,896)</u>	<u>(132,452)</u>	<u>(1,410)</u>	<u>100,000</u>	<u>(38,970)</u>	<u>3,869</u>	<u>125,825</u>
-	-	-	(94,476)	(7,343)	-	(131,719)
-	-	-	(94,476)	(7,343)	-	(131,719)
(15,896)	(132,452)	(1,410)	5,524	(46,313)	3,869	(5,894)
<u>551,709</u>	<u>775,313</u>	<u>-</u>	<u>-</u>	<u>135,032</u>	<u>84,119</u>	<u>1,979,718</u>
<u>\$ 535,813</u>	<u>\$ 642,861</u>	<u>\$ (1,410)</u>	<u>\$ 5,524</u>	<u>\$ 88,719</u>	<u>\$ 87,988</u>	<u>\$ 1,973,824</u>

CITY OF AUBURN
Budgetary Comparison Schedule
State Gas Tax - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 1,000	\$ 1,000	\$ (39)	\$ (1,039)
Intergovernmental	396,900	396,900	434,825	37,925
Total Revenues	<u>397,900</u>	<u>397,900</u>	<u>434,786</u>	<u>36,886</u>
EXPENDITURES				
Current:				
Transportation	332,500	332,500	372,334	(39,834)
Capital outlay	117,790	117,790	12,629	105,161
Total Expenditures	<u>450,290</u>	<u>450,290</u>	<u>384,963</u>	<u>65,327</u>
Excess of Revenues Over (Under) Expenditures	<u>(52,390)</u>	<u>(52,390)</u>	<u>49,823</u>	<u>102,213</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(9,790)	(9,790)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(9,790)</u>	<u>(9,790)</u>
Net Change in Fund Balance	(52,390)	(52,390)	40,033	92,423
Fund Balance - Beginning	<u>142,866</u>	<u>142,866</u>	<u>142,866</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 90,476</u>	<u>\$ 90,476</u>	<u>\$ 182,899</u>	<u>\$ 92,423</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Transit - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 3,786	\$ 3,786
Intergovernmental	492,102	524,102	415,995	(108,107)
Charges for services	32,000	-	30,773	30,773
Other revenues	-	-	140	140
Total Revenues	<u>524,102</u>	<u>524,102</u>	<u>450,694</u>	<u>(73,408)</u>
EXPENDITURES				
Current:				
Transportation	370,645	370,645	402,924	(32,279)
Debt service	24,000	24,000	-	24,000
Capital outlay	109,500	109,500	27,660	81,840
Total Expenditures	<u>504,145</u>	<u>504,145</u>	<u>430,584</u>	<u>73,561</u>
Excess of Revenues Over (Under) Expenditures	<u>19,957</u>	<u>19,957</u>	<u>20,110</u>	<u>153</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(20,110)	(20,110)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(20,110)</u>	<u>(20,110)</u>
Net Change in Fund Balance	19,957	19,957	-	(19,957)
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ 19,957</u>	<u>\$ 19,957</u>	<u>\$ -</u>	<u>\$ (19,957)</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Property Seizures - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Other revenues	\$ -	\$ -	\$ 24,472	\$ 24,472
Total Revenues	<u>-</u>	<u>-</u>	<u>24,472</u>	<u>24,472</u>
EXPENDITURES				
Current:				
General government	-	-	18,613	(18,613)
Capital outlay	20,000	20,000	17,168	2,832
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>35,781</u>	<u>(15,781)</u>
Net Change in Fund Balance	(20,000)	(20,000)	(11,309)	8,691
Fund Balance - Beginning	<u>92,918</u>	<u>92,918</u>	<u>92,918</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 72,918</u>	<u>\$ 72,918</u>	<u>\$ 81,609</u>	<u>\$ 8,691</u>

CITY OF AUBURN
Budgetary Comparison Schedule
HOME Housing Rehabilitation & First Time Homebuyer - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ -	\$ -	\$ (319)	\$ (319)
Intergovernmental	197,157	197,157	205,058	7,901
Total Revenues	<u>197,157</u>	<u>197,157</u>	<u>204,739</u>	<u>7,582</u>
EXPENDITURES				
Current:				
Community development	205,000	205,000	52,679	152,321
Total Expenditures	<u>205,000</u>	<u>205,000</u>	<u>52,679</u>	<u>152,321</u>
Net Change in Fund Balance	(7,843)	(7,843)	152,060	159,903
Fund Balance - Beginning	159,886	159,886	159,886	-
Fund Balance - Ending	<u>\$ 152,043</u>	<u>\$ 152,043</u>	<u>\$ 311,946</u>	<u>\$ 159,903</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Small Business Loans - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 1,000	\$ 1,000	\$ 5,634	\$ 4,634
Intergovernmental	-	-	165,293	165,293
Other revenues	64,000	64,000	-	(64,000)
Total Revenues	<u>65,000</u>	<u>65,000</u>	<u>170,927</u>	<u>105,927</u>
EXPENDITURES				
Current:				
Community development	<u>210,000</u>	<u>210,000</u>	<u>186,823</u>	<u>23,177</u>
Total Expenditures	<u>210,000</u>	<u>210,000</u>	<u>186,823</u>	<u>23,177</u>
Net Change in Fund Balance	(145,000)	(145,000)	(15,896)	129,104
Fund Balance - Beginning	<u>551,709</u>	<u>551,709</u>	<u>551,709</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 406,709</u>	<u>\$ 406,709</u>	<u>\$ 535,813</u>	<u>\$ 129,104</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Solid Waste Management - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 133,000	\$ 133,000	\$ 21,956	\$ (111,044)
Use of money and property	6,000	6,000	955	(5,045)
Intergovernmental	5,000	5,000	5,000	-
Total Revenues	<u>144,000</u>	<u>144,000</u>	<u>27,911</u>	<u>(116,089)</u>
EXPENDITURES				
Current:				
Public safety	<u>161,000</u>	<u>161,000</u>	<u>160,363</u>	<u>637</u>
Total Expenditures	<u>161,000</u>	<u>161,000</u>	<u>160,363</u>	<u>637</u>
Net Changes in Fund Balance	(17,000)	(17,000)	(132,452)	(115,452)
Fund Balance - Beginning	<u>775,313</u>	<u>775,313</u>	<u>775,313</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 758,313</u></u>	<u><u>\$ 758,313</u></u>	<u><u>\$ 642,861</u></u>	<u><u>\$ (115,452)</u></u>

CITY OF AUBURN
Budgetary Comparison Schedule
Office of Traffic Safety - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ (1)	\$ (1)
Intergovernmental	40,000	40,000	18,569	(21,431)
Total Revenues	40,000	40,000	18,568	(21,432)
EXPENDITURES				
Current:				
General government	40,000	40,000	10,870	29,130
Capital outlay	-	-	9,108	(9,108)
Total Expenditures	40,000	40,000	19,978	20,022
Net Changes in Fund Balance	-	-	(1,410)	(1,410)
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ (1,410)	\$ (1,410)

CITY OF AUBURN
Budgetary Comparison Schedule
State Law Enforcement Grant - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(100,000)	(94,476)	5,524
Total Other Financing Sources (Uses)	<u>-</u>	<u>(100,000)</u>	<u>(94,476)</u>	<u>5,524</u>
Net Changes in Fund Balance	<u>100,000</u>	<u>-</u>	<u>5,524</u>	<u>5,524</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 100,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,524</u></u>	<u><u>\$ 5,524</u></u>

CITY OF AUBURN
Budgetary Comparison Schedule
Facilities and Equipment - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and permits	\$ 15,000	\$ 15,000	\$ 31,270	\$ 16,270
Use of money and property	1,000	1,000	3,129	2,129
Total Revenues	<u>16,000</u>	<u>16,000</u>	<u>34,399</u>	<u>18,399</u>
EXPENDITURES				
Current:				
General government	250	250	11,127	(10,877)
Debt service	7,342	7,342	-	7,342
Capital outlay	95,833	95,833	62,242	33,591
Total Expenditures	<u>103,425</u>	<u>103,425</u>	<u>73,369</u>	<u>30,056</u>
Excess of Revenues Over (Under) Expenditures	<u>(87,425)</u>	<u>(87,425)</u>	<u>(38,970)</u>	<u>48,455</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(7,343)	(7,343)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(7,343)</u>	<u>(7,343)</u>
Net Changes in Fund Balance	<u>(87,425)</u>	<u>(87,425)</u>	<u>(46,313)</u>	<u>41,112</u>
Fund Balance - Beginning	<u>135,032</u>	<u>135,032</u>	<u>135,032</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 47,607</u>	<u>\$ 47,607</u>	<u>\$ 88,719</u>	<u>\$ 41,112</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Miscellaneous Grants - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 17,217	\$ 17,217
Total Revenues	<u>-</u>	<u>-</u>	<u>17,217</u>	<u>17,217</u>
EXPENDITURES				
Current:				
Public safety		-	13,348	(13,348)
Capital outlay	25,000	25,000	-	25,000
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>13,348</u>	<u>11,652</u>
Net Change in Fund Balance	(25,000)	(25,000)	3,869	28,869
Fund Balance - Beginning	<u>84,119</u>	<u>84,119</u>	<u>84,119</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 59,119</u>	<u>\$ 59,119</u>	<u>\$ 87,988</u>	<u>\$ 28,869</u>

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Nonmajor Governmental Funds

- **Capital Projects Funds**

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CITY OF AUBURN
Nonmajor Capital Projects Funds

The Capital Projects Funds are used to account for financial resources that are restricted, committed or assigned to expenditure for capital outlay. Nonmajor capital projects funds used by the City are listed below:

Auburn School Park Preserve Fund

The Auburn School Park Preserve Fund (ASPP) is used to account for the capital costs of restoring a park using a variety of funding sources. In FY 2005-06, a \$1.5 million “loan” was provided to the ASPP fund from the City’s General fund as an advance payment to the Army Corp of Engineers for related project costs (the Army Corp of Engineers managed the construction of the Park).

Highway 49 Beautification Plan Fund

The Highway 49 Beautification Plan fund accounts for project costs specifically related to Highway 49. These funds may be used for eligible projects along the Highway 49 corridor.

Project Fund

The Project fund accounts for traffic mitigation fees collected for numerous project areas citywide. Funds collected for each project area may only be used for traffic mitigation projects within boundaries defined by each fee area resolution.

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CITY OF AUBURN
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2014

	Auburn School Park Preserve	Hwy 49 Beautification	Project Fund	Totals
ASSETS				
Cash and investments	\$ -	\$ -	\$ 1,345,720	\$ 1,345,720
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,345,720</u>	<u>\$ 1,345,720</u>
LIABILITIES				
Deposits payable	\$ -	\$ 1,318	\$ -	\$ 1,318
Due to other funds	231,651	-	-	231,651
Total Liabilities	<u>231,651</u>	<u>1,318</u>	<u>-</u>	<u>232,969</u>
FUND BALANCES				
Restricted	-	-	1,345,720	1,345,720
Unassigned	(231,651)	(1,318)	-	(232,969)
Total Fund Balances	<u>(231,651)</u>	<u>(1,318)</u>	<u>1,345,720</u>	<u>1,112,751</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,345,720</u>	<u>\$ 1,345,720</u>

CITY OF AUBURN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2014

	Auburn School Park Preserve	Hwy 49 Beautification	Project Fund	Totals
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 266	\$ 266
Use of money and property	(10,220)	-	36,358	26,138
Intergovernmental	175,000	-	-	175,000
Charges for services	-	-	28	28
Total Revenues	<u>164,780</u>	<u>-</u>	<u>36,652</u>	<u>201,432</u>
EXPENDITURES				
Current:				
Transportation	-	-	4,357	4,357
Total Expenditures	<u>-</u>	<u>-</u>	<u>4,357</u>	<u>4,357</u>
Net Change in Fund Balance	164,780	-	32,295	197,075
Fund Balances - Beginning	<u>(396,431)</u>	<u>(1,318)</u>	<u>1,313,425</u>	<u>915,676</u>
Fund Balances - Ending	<u>\$ (231,651)</u>	<u>\$ (1,318)</u>	<u>\$ 1,345,720</u>	<u>\$ 1,112,751</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Auburn School Park Preserve - Nonmajor Capital Projects Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money	\$ -	\$ -	\$ (10,220)	\$ (10,220)
Intergovernmental	396,431	396,431	175,000	(221,431)
Total Revenues	<u>396,431</u>	<u>396,431</u>	<u>164,780</u>	<u>(231,651)</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	396,431	396,431	164,780	(231,651)
Fund Balance - Beginning	<u>(396,431)</u>	<u>(396,431)</u>	<u>(396,431)</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (231,651)</u>	<u>\$ (231,651)</u>

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Fiduciary Funds

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CITY OF AUBURN

Fiduciary Funds

The Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

Other Employee Benefit Trust Fund

This fund is used to report resources held in trust for the members of an employee benefit plan. This employee benefit plan is for the City's police officers medical savings plan.

Private Purpose Trust Funds

These funds are used to report other trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The private purpose trust funds maintained by the City include the following:

Merchant's Council

This fund is used to report the activity of the Merchant's Council nonprofit organization.

Historic Auburn

This fund is used to report the activity of the Historic Auburn nonprofit organization.

Signature Theatre Sewer District

This fund is used to report the activity of the Signature Theatre Sewer District.

Southwest Specific Plan

The fund is used to report the activity of the Southwest Specific Plan.

Successor Agency to the Auburn Urban Development Authority

The fund is used to report the dissolution of the Auburn Urban Development Authority.

Agency Funds

These funds are used to report resources held by the City in a purely custodial capacity. The agency funds maintained by the City include the following:

Cable TV Access Fees

This fund collects monies from cable TV access fees and remits them to the Auburn Area Access Community Television Group.

Fire Safety Council

This fund collects monies from grants received for fire safety purposes and uses them for like purposes.

Recreation Park Development

This fund collects monies for recreation and park development.

Placer County Facilities Fee

This fund collects monies for the Placer County Facilities Fee and remits them to the Placer County Facilities Department.

Payroll Clearing - This fund collects monies from payroll and remits them to government agencies.

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CITY OF AUBURN
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2014

	Merchant's Council	Historic Auburn	Signature Theatre Sewer District	Southwest Specific Plan
ASSETS				
Cash and investments	\$ 4,546	\$ 3,616	\$ 115	\$ 6,613
Receivables:				
Accounts	447	600	-	-
Capital assets:				
Non-depreciable	-	-	-	-
Total Assets	\$ 4,993	\$ 4,216	\$ 115	\$ 6,613
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interest payable	-	-	-	-
Due to other funds	-	-	-	-
Long-term debt:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total Liabilities	-	-	-	-
NET POSITION				
Net position held in trust	4,993	4,216	115	6,613
Total Net Position	\$ 4,993	\$ 4,216	\$ 115	\$ 6,613

Successor Agency to the Auburn Urban Development Authority			Total Private Purpose Trust Funds
Debt Service	Housing	Projects	
\$ 347,447	\$ -	\$ -	\$ 362,337
-	-	-	1,047
-	350,000	-	350,000
<u>\$ 347,447</u>	<u>\$ 350,000</u>	<u>\$ -</u>	<u>\$ 713,384</u>
\$ -	\$ -	\$ 1,551	\$ 1,551
21,012	-	-	21,012
-	-	21,854	21,854
86,577	-	-	86,577
<u>4,066,284</u>	<u>-</u>	<u>-</u>	<u>4,066,284</u>
<u>4,173,873</u>	<u>-</u>	<u>23,405</u>	<u>4,197,278</u>
<u>(3,826,426)</u>	<u>350,000</u>	<u>(23,405)</u>	<u>(3,483,894)</u>
<u>\$ (3,826,426)</u>	<u>\$ 350,000</u>	<u>\$ (23,405)</u>	<u>\$ (3,483,894)</u>

CITY OF AUBURN
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2014

	Merchant's Council	Historic Auburn	Signature Theatre Sewer District	Southwest Specific Plan
ADDITIONS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Interest and investment income	-	-	-	179
Other contributions	35,410	20,205	-	-
Total Additions	35,410	20,205	-	179
DEDUCTIONS				
Distributions to participants	35,703	19,044	-	18
Program expenses of former redevelopment agency	-	-	-	-
Interest expense	-	-	-	-
Amortization	-	-	-	-
Total Deductions	35,703	19,044	-	18
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in Net Position	(293)	1,161	-	161
Net Position - Beginning	5,286	3,055	115	6,452
Net Position - Ending	\$ 4,993	\$ 4,216	\$ 115	\$ 6,613

Successor Agency to the Auburn Urban Development Authority			Total Private Purpose Trust Funds
Debt Service	Housing	Projects	
\$ -	\$ -	\$ 406,259	\$ 406,259
9,387	-	10,959	20,525
-	-	-	55,615
9,387	-	417,218	482,399
-	-	-	54,765
939	-	89,860	90,799
226,455	-	-	226,455
3,423	-	-	3,423
230,817	-	89,860	375,442
311,452	-	-	311,452
-	-	(311,452)	(311,452)
90,022	-	15,906	106,957
(3,916,448)	350,000	(39,311)	(3,590,851)
<u>\$ (3,826,426)</u>	<u>\$ 350,000</u>	<u>\$ (23,405)</u>	<u>\$ (3,483,894)</u>

CITY OF AUBURN
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2014

	<u>Cable TV Access Fees</u>	<u>Fire Safety Council</u>	<u>Recreation Park Development</u>	<u>Placer County Facilities Fee</u>
ASSETS				
Cash and investments	\$ -	\$ 51	\$ 3,000	\$ 19,778
Receivables:				
Accounts	7,971	-	-	-
Intergovernmental	-	-	-	-
Total Assets	<u>\$ 7,971</u>	<u>\$ 51</u>	<u>\$ 3,000</u>	<u>\$ 19,778</u>
LIABILITIES				
Accounts payable	\$ 4,958	\$ -	\$ 425	\$ 7,559
Agency obligations	3,013	51	2,575	12,219
Total Liabilities	<u>\$ 7,971</u>	<u>\$ 51</u>	<u>\$ 3,000</u>	<u>\$ 19,778</u>

Payroll Clearing	Total Agency Funds
\$ 67,175	\$ 90,004
-	7,971
<u>5,050</u>	<u>5,050</u>
<u>\$ 72,225</u>	<u>\$ 103,025</u>
\$ -	\$ 12,942
<u>72,225</u>	<u>90,083</u>
<u>\$ 72,225</u>	<u>\$ 103,025</u>

CITY OF AUBURN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
CABLE TV ACCESS FEES				
ASSETS				
Receivables:				
Accounts	\$ 7,982	\$ -	\$ 11	\$ 7,971
Total Assets	<u>\$ 7,982</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 7,971</u>
LIABILITIES				
Accounts payable	\$ 4,958	\$ -	\$ -	\$ 4,958
Agency obligations	3,024	-	11	3,013
Total Liabilities	<u>\$ 7,982</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 7,971</u>
FIRE SAFETY COUNCIL				
ASSETS				
Cash and investments	\$ 50	\$ 1	\$ -	\$ 51
Total Assets	<u>\$ 50</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 51</u>
LIABILITIES				
Agency obligations	\$ 50	\$ 1	\$ -	\$ 51
Total Liabilities	<u>\$ 50</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 51</u>
RECREATION PARK DEVELOPMENT				
ASSETS				
Cash and investments	\$ 10,351	\$ 8,156	\$ 15,507	\$ 3,000
Total Assets	<u>\$ 10,351</u>	<u>\$ 8,156</u>	<u>\$ 15,507</u>	<u>\$ 3,000</u>
LIABILITIES				
Accounts payable	\$ 425	\$ -	\$ -	\$ 425
Agency obligations	9,926	8,156	15,507	2,575
Total Liabilities	<u>\$ 10,351</u>	<u>\$ 8,156</u>	<u>\$ 15,507</u>	<u>\$ 3,000</u>
PLACER COUNTY FACILITIES FEE				
ASSETS				
Cash and investments	\$ 14,639	\$ 26,858	\$ 21,719	\$ 19,778
Total Assets	<u>\$ 14,639</u>	<u>\$ 26,858</u>	<u>\$ 21,719</u>	<u>\$ 19,778</u>
LIABILITIES				
Accounts payable	\$ 12,361	\$ -	\$ 4,802	\$ 7,559
Agency obligations	2,278	26,858	16,917	12,219
Total Liabilities	<u>\$ 14,639</u>	<u>\$ 26,858</u>	<u>\$ 21,719</u>	<u>\$ 19,778</u>

CITY OF AUBURN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
PAYROLL CLEARING				
ASSETS				
Cash and investments	\$ 19,554	\$ 47,621	\$ -	\$ 67,175
Receivables:				
Intergovernmental	5,050	-	-	5,050
Total Assets	\$ 24,604	\$ 47,621	\$ -	\$ 72,225
LIABILITIES				
Accounts payable	\$ 6,997	\$ -	\$ 6,997	\$ -
Agency obligations	17,607	54,618	-	72,225
Total Liabilities	\$ 24,604	\$ 54,618	\$ 6,997	\$ 72,225
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 44,594	\$ 82,636	\$ 37,226	90,004
Receivables:				
Accounts	7,982	-	11	7,971
Intergovernmental	5,050	-	-	5,050
Total Assets	\$ 57,626	\$ 82,636	\$ 37,237	\$ 103,025
LIABILITIES				
Accounts payable	\$ 24,741	\$ -	\$ 11,799	\$ 12,942
Agency obligations	32,885	89,633	32,435	90,083
Total Liabilities	\$ 57,626	\$ 89,633	\$ 44,234	\$ 103,025

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STATISTICAL SECTION

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CITY OF AUBURN

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

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

Sources: Unless otherwise stated, the information in this section is derived from the comprehensive annual financial reports for the relevant year.

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CITY OF AUBURN
Net Position by Component
Last Ten Fiscal Years
(full accrual basis of accounting)

	Fiscal Year			
	2004/2005	2005/2006	2006/2007	2007/2008
Governmental Activities				
Net investment in capital assets	\$ 11,455,672	\$ 12,112,065	\$ 13,711,814	\$ 14,935,931
Restricted	2,472,114	3,897,934	4,662,291	3,653,807
Unrestricted	3,826,830	4,049,964	2,001,513	2,860,462
Total governmental activities net position	\$ 17,754,616	\$ 20,059,963	\$ 20,375,618	\$ 21,450,200
Business-Type Activities				
Net investment in capital assets	\$ 14,150,118	\$ 14,898,745	\$ 16,775,408	\$ 16,307,102
Restricted	41,840	41,840	13,250	-
Unrestricted	5,125,958	4,566,907	3,567,844	5,089,154
Total business-type activities net position	\$ 19,317,916	\$ 19,507,492	\$ 20,356,502	\$ 21,396,256
Primary Government				
Net investment in capital assets	\$ 25,605,790	\$ 27,010,810	\$ 30,487,222	\$ 31,243,033
Restricted	2,513,954	3,939,774	4,675,541	3,653,807
Unrestricted	8,952,788	8,616,871	5,569,357	7,949,616
Total primary government net position	\$ 37,072,532	\$ 39,567,455	\$ 40,732,120	\$ 42,846,456

<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
\$ 19,336,184	\$ 18,886,386	\$ 17,508,894	\$ 21,555,502	\$ 20,966,807	\$ 20,815,460
8,114,974	6,541,853	5,089,610	3,000,169	3,296,195	3,323,613
<u>(3,166,820)</u>	<u>(1,943,195)</u>	<u>214,035</u>	<u>311,924</u>	<u>812,150</u>	<u>773,227</u>
<u>\$ 24,284,338</u>	<u>\$ 23,485,044</u>	<u>\$ 22,812,539</u>	<u>\$ 24,867,595</u>	<u>\$ 25,075,152</u>	<u>\$ 24,912,300</u>
\$ 17,671,003	\$ 19,008,750	\$ 16,358,353	\$ 17,106,731	\$ 18,226,969	\$ 18,371,032
-	559,262	559,263	559,263	559,263	559,263
<u>4,871,695</u>	<u>4,603,714</u>	<u>9,075,908</u>	<u>9,180,877</u>	<u>9,238,584</u>	<u>9,395,474</u>
<u>\$ 22,542,698</u>	<u>\$ 24,171,726</u>	<u>\$ 25,993,524</u>	<u>\$ 26,846,871</u>	<u>\$ 28,024,816</u>	<u>\$ 28,325,769</u>
\$ 37,007,187	\$ 37,895,136	\$ 33,867,247	\$ 38,662,233	\$ 39,193,776	\$ 39,186,492
8,114,974	7,101,115	5,648,873	3,559,432	3,855,458	3,882,876
<u>1,704,875</u>	<u>2,660,519</u>	<u>9,289,943</u>	<u>9,492,801</u>	<u>10,050,734</u>	<u>10,168,701</u>
<u>\$ 46,827,036</u>	<u>\$ 47,656,770</u>	<u>\$ 48,806,063</u>	<u>\$ 51,714,466</u>	<u>\$ 53,099,968</u>	<u>\$ 53,238,069</u>

CITY OF AUBURN
Changes in Net Position
Last Ten Fiscal Years
(full accrual basis of accounting)

	Fiscal Year			
	2004/2005	2005/2006	2006/2007	2007/2008
Expenses				
Governmental Activities:				
General government	\$ 2,058,232	\$ 1,783,691	\$ 2,325,979	\$ 2,067,619
Public safety	4,745,520	5,385,966	5,916,568	5,866,706
Transportation	1,136,527	2,691,900	4,343,717	3,165,262
Community development	948,515	1,483,471	1,748,798	1,443,691
Recreation and culture	-	18,308	20,654	17,586
Interest on long-term debt	48,009	50,740	575,295	301,594
Total Governmental Activities Expenses	<u>8,936,803</u>	<u>11,414,076</u>	<u>14,931,011</u>	<u>12,862,458</u>
Business-Type Activities				
Airport	641,157	774,459	740,501	615,186
Sewer	2,276,655	2,852,847	3,132,068	3,561,773
Total Business-Type Activities Expenses	<u>2,917,812</u>	<u>3,627,306</u>	<u>3,872,569</u>	<u>4,176,959</u>
Total Primary Government Expenses	<u>\$ 11,854,615</u>	<u>\$ 15,041,382</u>	<u>\$ 18,803,580</u>	<u>\$ 17,039,417</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$ 711,105	\$ 1,538,236	\$ 391,510	\$ 797,693
Public safety	642,003	9,660	167,362	279,340
Transportation	315,400	27,528	97,042	137,199
Community development	413,458	-	513,221	325,663
Recreation and culture	-	-	19,885	18,825
Operating grants and contributions	1,483,658	2,378,837	2,543,309	1,557,120
Capital grants and contributions	201,773	684,447	1,284,923	1,313,832
Total Governmental Activities Program Revenues	<u>3,767,397</u>	<u>4,638,708</u>	<u>5,017,252</u>	<u>4,429,672</u>
Business-Type Activities:				
Charges for services:				
Airport	104,223	113,472	14,887	556,139
Sewer	2,773,504	2,941,471	2,861,434	4,386,520
Operating grants and contributions	-	-	49,500	26,775
Capital grants and contributions	61,586	238,136	1,063,925	34,824
Total Business-Type Activities Program Revenues	<u>2,939,313</u>	<u>3,293,079</u>	<u>3,989,746</u>	<u>5,004,258</u>
Total Primary Government Program Revenues	<u>\$ 6,706,710</u>	<u>\$ 7,931,787</u>	<u>\$ 9,006,998</u>	<u>\$ 9,433,930</u>

<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
\$ 1,741,542	\$ 1,735,630	\$ 1,340,063	\$ 1,678,027	\$ 1,890,167	\$ 1,474,340
6,066,740	5,503,174	5,147,639	5,139,270	5,421,554	6,369,373
2,592,016	2,926,324	3,254,955	2,766,145	3,508,302	3,145,072
1,490,980	1,326,272	881,511	670,701	693,696	934,437
33,292	36,339	-	-	-	-
475,274	276,751	539,949	360,834	266,979	258,754
<u>12,399,844</u>	<u>11,804,490</u>	<u>11,164,117</u>	<u>10,614,977</u>	<u>11,780,698</u>	<u>12,181,976</u>
574,112	604,719	551,423	647,973	666,373	681,504
3,432,180	3,433,579	3,543,183	4,128,331	4,108,614	5,040,454
<u>4,006,292</u>	<u>4,038,298</u>	<u>4,094,606</u>	<u>4,776,304</u>	<u>4,774,987</u>	<u>5,721,958</u>
<u>\$ 16,406,136</u>	<u>\$ 15,842,788</u>	<u>\$ 15,258,723</u>	<u>\$ 15,391,281</u>	<u>\$ 16,555,685</u>	<u>\$ 17,903,934</u>
\$ 749,498	\$ 496,199	\$ 593,738	\$ 548,326	\$ 810,080	\$ 523,315
369,292	120,660	30,726	30,093	25,249	24,609
72,560	65,710	225,045	243,660	284,103	265,717
209,542	303,883	-	-	-	-
34,563	34,358	-	-	-	-
2,536,633	1,154,715	1,700,882	1,115,106	2,565,297	2,574,530
2,801,230	1,257,311	490,889	492,234	2,468	-
<u>6,773,318</u>	<u>3,432,836</u>	<u>3,041,280</u>	<u>2,429,419</u>	<u>3,687,197</u>	<u>3,388,171</u>
566,954	834,189	526,017	611,558	630,290	672,754
4,334,075	4,635,541	4,635,853	4,899,585	5,388,670	5,218,233
6,350	2,986	609,843	1,553	77,692	86,311
-	-	-	-	-	-
<u>4,907,379</u>	<u>5,472,716</u>	<u>5,771,713</u>	<u>5,512,696</u>	<u>6,096,652</u>	<u>5,977,298</u>
<u>\$ 11,680,697</u>	<u>\$ 8,905,552</u>	<u>\$ 8,812,993</u>	<u>\$ 7,942,115</u>	<u>\$ 9,783,849</u>	<u>\$ 9,365,469</u>

CITY OF AUBURN
Changes in Net Position
Last Ten Fiscal Years
(full accrual basis of accounting)

	Fiscal Year			
	2004/2005	2005/2006	2006/2007	2007/2008
Net (Expense)/Revenue¹				
Governmental activities	\$ (5,169,406)	\$ (6,775,368)	\$ (9,913,759)	\$ (8,432,786)
Business-type activities	21,501	(334,227)	117,177	827,299
 Total Primary Government Net Expense	<u>\$ (5,147,905)</u>	<u>\$ (7,109,595)</u>	<u>\$ (9,796,582)</u>	<u>\$ (7,605,487)</u>
 General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$ 3,256,499	\$ 3,682,204	\$ 4,085,695	\$ 4,195,552
Sales and use taxes	2,605,488	2,922,367	3,005,226	2,889,326
In-lieu sales taxes	686,335	980,145	1,376,879	1,141,045
Franchise taxes	599,725	620,185	648,170	644,702
Transient occupancy taxes	215,627	220,388	224,755	238,608
Other taxes	148,973	128,215	92,262	49,737
Grants and contributions - unrestricted	-	-	-	-
Rents	316,959	297,896	312,911	-
Interest and investment earnings	153,018	198,507	379,293	264,154
Miscellaneous	-	33,988	102,009	84,244
Transfers	135,186	(3,180)	2,214	-
Extraordinary gain	-	-	-	-
 Total Governmental Activities	<u>8,117,810</u>	<u>9,080,715</u>	<u>10,229,414</u>	<u>9,507,368</u>
Business-Type Activities				
Property taxes	53,456	41,764	32,634	33,802
Rents	347,803	331,784	459,851	-
Interest and investment earnings	(35,130)	126,004	241,562	178,653
Miscellaneous	-	-	-	-
Transfers	(135,186)	3,180	(2,214)	-
 Total Business-Type Activities	<u>230,943</u>	<u>502,732</u>	<u>731,833</u>	<u>212,455</u>
 Total Primary Government	<u>\$ 8,348,753</u>	<u>\$ 9,583,447</u>	<u>\$ 10,961,247</u>	<u>\$ 9,719,823</u>
 Change in Net Position				
Governmental activities	\$ 2,948,404	\$ 2,305,347	\$ 315,655	\$ 1,074,582
Business-type activities	252,444	168,505	849,010	1,039,754
 Total Primary Government	<u>\$ 3,200,848</u>	<u>\$ 2,473,852</u>	<u>\$ 1,164,665</u>	<u>\$ 2,114,336</u>

¹ Net expense is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
\$ (5,626,526)	\$ (8,371,654)	\$ (8,122,837)	\$ (8,185,558)	\$ (8,093,501)	\$ (8,793,805)
901,087	1,434,418	1,677,107	736,392	1,321,665	255,340
<u>\$ (4,725,439)</u>	<u>\$ (6,937,236)</u>	<u>\$ (6,445,730)</u>	<u>\$ (7,449,166)</u>	<u>\$ (6,771,836)</u>	<u>\$ (8,538,465)</u>
\$ 4,064,058	\$ 3,816,117	\$ 3,454,566	\$ 3,177,351	\$ 3,097,824	\$ 2,627,318
2,059,504	1,903,834	2,027,383	2,316,047	2,787,736	2,957,859
1,040,123	701,744	832,427	1,011,481	1,231,066	1,470,211
657,957	621,108	622,156	622,265	630,244	632,963
212,709	180,575	198,041	211,217	209,158	226,298
25,808	27,869	42,647	37,300	52,759	56,069
-	-	61,677	6,717	6,960	431,011
-	-	-	-	-	-
259,023	269,401	140,108	59,814	7,934	119,117
141,737	51,712	58,905	45,704	326,904	52,653
-	-	12,422	10,452	45,801	57,454
-	-	-	2,470,706	-	-
<u>8,460,919</u>	<u>7,572,360</u>	<u>7,450,332</u>	<u>9,969,054</u>	<u>8,396,386</u>	<u>8,630,953</u>
36,181	30,272	26,184	26,177	38,568	47,364
-	-	-	-	-	-
144,374	164,338	129,879	79,770	3,910	38,063
-	-	1,050	21,460	40,000	17,640
64,800	-	(12,422)	(10,452)	(45,801)	(57,454)
<u>245,355</u>	<u>194,610</u>	<u>144,691</u>	<u>116,955</u>	<u>36,677</u>	<u>45,613</u>
<u>\$ 8,706,274</u>	<u>\$ 7,766,970</u>	<u>\$ 7,595,023</u>	<u>\$ 10,086,009</u>	<u>\$ 8,433,063</u>	<u>\$ 8,676,566</u>
\$ 2,834,393	\$ (799,294)	\$ (672,505)	\$ 1,783,496	\$ 302,885	\$ (162,852)
1,146,442	1,629,028	1,821,798	853,347	1,358,342	300,953
<u>\$ 3,980,835</u>	<u>\$ 829,734</u>	<u>\$ 1,149,293</u>	<u>\$ 2,636,843</u>	<u>\$ 1,661,227</u>	<u>\$ 138,101</u>

CITY OF AUBURN
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2004/2005	2005/2006	2006/2007	2007/2008
General Fund				
Reserved	\$ 712,214	\$ 2,364,402	\$ 1,944,442	\$ 1,520,684
Unreserved	4,161,059	2,865,763	2,834,572	2,608,498
Total General Fund	<u>\$ 4,873,273</u>	<u>\$ 5,230,165</u>	<u>\$ 4,779,014</u>	<u>\$ 4,129,182</u>
All Other Governmental Funds				
Reserved	\$ -	\$ 2,338	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	3,571,328	4,186,295	3,132,607	3,217,606
Debt service funds	168,566	254,166	285,509	211,420
Capital projects funds	581,596	1,038,356	1,236,642	1,330,653
Total All Other Governmental Funds	<u>\$ 4,321,490</u>	<u>\$ 5,481,155</u>	<u>\$ 4,654,758</u>	<u>\$ 4,759,679</u>

	Fiscal Year			
	2010/2011	2011/2012	2012/2013	2013/2014
General Fund				
Nonspendable	\$ 57,911	\$ 52,166	\$ 63,016	\$ 68,408
Committed	2,250,000	2,250,000	2,250,000	2,250,000
Unassigned	361,665	425,522	679,331	1,127,255
Total General Fund	<u>\$ 2,669,576</u>	<u>\$ 2,727,688</u>	<u>\$ 2,992,347</u>	<u>\$ 3,445,663</u>
All Other Governmental Funds				
Nonspendable	\$ 2,656	\$ 2,794	\$ 3,052	\$ 3,359
Restricted	5,086,954	2,997,375	3,293,143	3,320,954
Unassigned	(400,405)	(401,645)	(400,801)	(992,262)
Total All Other Governmental Funds	<u>\$ 4,689,205</u>	<u>\$ 2,598,524</u>	<u>\$ 2,895,394</u>	<u>\$ 2,332,051</u>

Notes:

(1) The City implemented GASB 54 for fiscal year June 30, 2011 under which fund balances are reported as nonspendable, restricted, committed, assigned and unassigned as compared to reserved and unreserved.

<u>2008/2009</u>	<u>2009/2010</u>
\$ 455,035	\$ 537,481
<u>2,958,087</u>	<u>2,309,992</u>
<u>\$ 3,413,122</u>	<u>\$ 2,847,473</u>
\$ -	\$ 341,455
1,693,968	5,036,159
351,502	-
<u>1,244,363</u>	<u>824,185</u>
<u>\$ 3,289,833</u>	<u>\$ 6,201,799</u>

CITY OF AUBURN
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2004/2005	2005/2006	2006/2007	2007/2008
Revenues				
Taxes	\$ 7,497,249	\$ 7,933,319	\$ 8,784,817	\$ 8,304,456
Franchise fees	599,725	620,185	648,170	644,701
Licenses and permits	606,469	1,065,241	775,940	494,863
Fines and forfeitures	134,882	121,808	144,568	136,518
Use of money and property	471,087	496,403	692,204	602,385
Intergovernmental	1,583,310	3,063,284	3,828,232	3,095,930
Charges for services	842,603	388,375	268,512	277,297
Other revenues	25,688	33,988	102,009	84,244
Total Revenues	11,761,013	13,722,603	15,244,452	13,640,394
Expenditures				
Current:				
General government	1,705,245	4,500,812	2,224,760	1,777,811
Public safety	4,606,218	7,313,153	5,742,513	5,612,110
Transportation	2,100,278	2,521,915	4,368,426	3,072,594
Community development	1,062,079	1,492,402	1,737,253	1,432,675
Recreation and culture	-	18,308	20,654	17,586
Capital outlay	1,345,115	1,477,368	1,802,529	1,689,495
Debt service				
Principal	146,282	157,725	314,909	274,158
Interest	48,009	38,181	313,170	308,876
Administrative, issuance and other costs	-	-	-	-
Total Expenditures	11,013,226	17,519,864	16,524,214	14,185,305
Excess of Revenues Over (Under) Expenditures	747,787	(3,797,261)	(1,279,762)	(544,911)
Other Financial Sources (Uses)				
Bonds issued	-	4,965,000	-	-
Discounts on debt issued	-	-	-	-
Capital lease	-	352,000	-	-
Transfers in	778,599	223,873	292,399	236,616
Transfers out	(643,414)	(227,053)	(290,185)	(236,616)
Issuance of debt	-	-	-	-
Total Other Financial Sources (Uses)	135,185	5,313,820	2,214	-
Extraordinary loss	-	-	-	-
Net Change in Fund Balances	\$ 882,972	\$ 1,516,559	\$ (1,277,548)	\$ (544,911)
Debt Service as a Percentage of Noncapital Expenditures	2.24%	1.22%	4.35%	4.66%

<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
\$ 7,541,403	\$ 6,535,207	\$ 7,162,454	\$ 7,510,603	\$ 8,008,787	\$ 7,970,718
518,756	621,108	-	-	-	-
383,622	461,496	326,069	301,267	631,012	334,890
142,998	106,386	103,169	74,950	62,369	50,287
613,929	575,533	452,064	360,115	299,653	404,117
5,712,125	2,386,783	2,253,448	1,463,061	2,574,725	3,005,541
179,412	146,796	108,315	145,561	134,332	143,464
141,737	51,712	58,905	45,704	326,904	52,653
<u>15,233,982</u>	<u>10,885,021</u>	<u>10,464,424</u>	<u>9,901,261</u>	<u>12,037,782</u>	<u>11,961,670</u>
1,606,237	1,452,089	1,194,839	1,510,220	1,755,477	1,285,454
5,702,042	5,499,427	5,119,592	5,267,512	5,513,843	6,135,398
2,096,725	1,802,750	2,445,107	1,716,030	2,427,123	2,142,154
1,494,664	1,310,866	878,671	667,861	690,856	934,437
33,292	35,979	-	-	-	-
4,895,952	3,267,510	1,779,017	1,032,454	1,301,682	1,030,225
499,235	183,149	208,222	140,383	207,403	331,993
454,713	267,968	541,889	382,928	268,691	269,490
105,823	-	-	-	-	-
<u>16,888,683</u>	<u>13,819,738</u>	<u>12,167,337</u>	<u>10,717,388</u>	<u>12,165,075</u>	<u>12,129,151</u>
<u>(1,654,701)</u>	<u>(2,934,717)</u>	<u>(1,702,913)</u>	<u>(816,127)</u>	<u>(127,293)</u>	<u>(167,481)</u>
4,805,000	-	-	-	-	-
(102,677)	-	-	-	-	-
-	47,506	-	-	-	-
906,258	425,902	590,279	135,091	194,531	198,963
(906,258)	(425,902)	(577,857)	(124,639)	(148,730)	(141,509)
-	-	-	-	643,021	-
<u>4,702,323</u>	<u>47,506</u>	<u>12,422</u>	<u>10,452</u>	<u>688,822</u>	<u>57,454</u>
-	-	-	(1,498,454)	-	-
<u>\$ 3,047,622</u>	<u>\$ (2,887,211)</u>	<u>\$ (1,690,491)</u>	<u>\$ (2,304,129)</u>	<u>\$ 561,529</u>	<u>\$ (110,027)</u>

8.81%

4.13%

7.22%

5.40%

5.40%

5.42%

CITY OF AUBURN
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Direct Rate
2004/2005	1,205,735,778	184,994,566	65,101,805	1,325,628,539	0.199%
2005/2006	1,349,777,552	161,246,947	67,494,168	1,443,530,331	0.192%
2006/2007	1,524,979,595	161,724,477	71,295,420	1,615,408,652	0.200%
2007/2008	1,629,447,870	160,794,104	71,837,516	1,718,404,458	0.190%
2008/2009	1,662,445,744	164,935,634	73,740,612	1,753,640,766	0.173%
2009/2010	1,614,200,371	141,625,189	74,621,731	1,681,203,829	0.168%
2010/2011	1,509,536,535	131,670,495	75,716,027	1,565,491,003	0.175%
2011/2012	1,465,564,258	130,423,642	76,467,907	1,519,519,993	0.169%
2012/2013	1,463,888,966	130,267,793	76,537,481	1,517,619,278	0.169%
2013/2014	1,528,949,703	127,746,684	80,893,920	1,575,802,467	0.177%

Note:

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property tax may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of the taxable property and is subject to the limitations described above.

Source: Auditor-Controller's Office, County of Placer

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CITY OF AUBURN
Property Tax Rates - All Overlapping Governments
Last Ten Fiscal Years

	Fiscal Year			
	2004/2005	2005/2006	2006/2007	2007/2008
City of Auburn				
General purpose	0.139	0.128	0.140	0.136
Property tax in lieu of vehicle license fees	0.047	0.050	0.050	0.050
Debt service	0.013	0.014	0.010	0.004
	0.199	0.192	0.200	0.190
Placer County	0.321	0.320	0.320	0.320
School Districts	0.455	0.455	0.452	0.452
Special Districts	0.068	0.068	0.068	0.068
	<u>1.043</u>	<u>1.035</u>	<u>1.040</u>	<u>1.030</u>

Notes:

(1) The above tax rates are applied per \$100 of assessed valuation.

(2) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of school district bonds.

Source: Auditor-Controller's Office, County of Placer

<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
0.126	0.121	0.128	0.122	0.122	0.153
0.047	0.047	0.047	0.047	0.047	0.024
-	-	-	-	-	-
0.173	0.168	0.175	0.169	0.169	0.177
0.320	0.322	0.322	0.322	0.322	0.322
0.456	0.448	0.448	0.448	0.448	0.448
0.068	0.071	0.071	0.071	0.071	0.071
<u>1.017</u>	<u>1.009</u>	<u>1.016</u>	<u>1.010</u>	<u>1.010</u>	<u>1.018</u>

CITY OF AUBURN
Principal Property Tax Payers
Current Year and Eight Years Ago

<u>Taxpayer</u>	<u>Fiscal Year 2013/2014</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
Reneson Hotels Inc.	\$ 14,284,105	0.90%
Auburn Creekside Buildings	12,254,100	0.78%
Regal Cinemas, Inc.	10,276,457	0.65%
UAIC Development Corporation	7,182,662	0.46%
Foothill Terrace Apartments Inc.	5,602,899	0.36%
RMP Properties LLC	4,300,000	0.27%
Longs Drug Stores Inc.	4,294,580	0.27%
Carl E. Best, Trustee	4,196,863	0.27%
Baltimore Ravine Investors LLC	4,110,332	0.26%
Auburn Town Square LLC	4,100,000	0.26%
	<u>\$ 70,601,998</u>	<u>4.48%</u>
Total City of Auburn assessed property valuation Fiscal Year 2013/14		<u>\$ 1,575,802,467</u>

<u>Taxpayer</u>	<u>Fiscal Year 2005/2006</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
Regal Cinemas, Inc.	\$ 11,118,160	0.77%
Reneson Hotels, Inc.	7,776,061	0.54%
Jewel Food Stores, Inc.	7,564,668	0.52%
Foothill Terrace Investors	7,530,429	0.52%
Auburn Town Square LLC	5,404,729	0.37%
Persimmon Terrace Apartments, Partnership	4,806,237	0.33%
Ginn Le Royce Leo Jr, Trustee	4,092,719	0.28%
1616 I Street Properties	4,060,094	0.28%
701 Auburn Ravine, LLC	4,009,494	0.28%
Esperanca Family Trust	3,912,436	0.27%
Congregational Church Retirement Comm	3,850,222	0.27%
	<u>\$ 64,125,249</u>	<u>4.44%</u>
Total City of Auburn assessed property valuation Fiscal Year 2005/06		<u>\$ 1,443,530,331</u>

Note:

Data pertaining to fiscal year 2004/2005 is not available, the latest prior year available is fiscal year 2005/06.

Source: Auditor-Controller's Office, County of Placer

CITY OF AUBURN
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2004/2005	3,309,955	3,309,955	100.00%	-	3,309,955	100.00%
2005/2006	3,723,878	3,723,878	100.00%	-	3,723,878	100.00%
2006/2007	4,118,329	4,118,329	100.00%	-	4,118,329	100.00%
2007/2008	4,402,015	4,402,015	100.00%	-	4,402,015	100.00%
2008/2009	4,084,946	4,084,946	100.00%	-	4,084,946	100.00%
2009/2010	3,923,742	3,923,742	100.00%	-	3,923,742	100.00%
2010/2011	3,726,242	3,726,242	100.00%	-	3,726,242	100.00%
2011/2012	3,403,509	3,403,509	100.00%	-	3,403,509	100.00%
2012/2013	3,520,802	3,520,802	100.00%	-	3,520,802	100.00%
2013/2014	3,080,832	3,080,832	100.00%	-	3,080,832	100.00%

Source: Auditor-Controller's Office, County of Placer
Administrative Services Department, City of Auburn

CITY OF AUBURN
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Total
	General Obligation Bonds	Pension Obligation Bonds	Tax Allocation Bonds	Loans and Notes Payable	Due to Other Agencies	Capital Leases	
2004/2005	540,000	-	-	79,888	109,427	9,556	738,871
2005/2006	420,000	4,965,000	-	68,580	84,121	356,739	5,894,440
2006/2007	290,000	4,900,000	-	56,931	58,815	269,046	5,574,792
2007/2008	150,000	4,845,000	-	44,954	33,512	182,815	5,256,281
2008/2009	-	4,775,000	4,530,746	32,570	31,278	93,177	9,462,771
2009/2010	-	4,685,000	4,459,169	19,832	29,044	46,269	9,239,314
2010/2011	-	4,575,000	4,387,592	6,710	26,810	38,404	9,034,516
2011/2012	-	4,450,000	-	-	-	29,731	4,479,731
2012/2013	-	4,305,000	-	-	-	610,349	4,915,349
2013/2014	-	4,130,000	-	-	-	453,356	4,583,356

(1) See Demographic and Economic Statistics schedule for personal income and population data.

(2) See Assessed Value and Estimated Actual Value of Taxable Property schedule for property value data.

n/a - information is not available until the following year

Source: Auditor-Controller's Office, County of Placer
Administrative Services Department, City of Auburn

Business-Type Activities

Loans and Notes Payable	Revenue Bonds	Total	Total Primary Government	Percentage of Personal Income (1)	Percentage of Assessed Value (2)	Per Capita (1)
5,374,142	-	5,374,142	6,113,013	1.19%	0.46%	476
5,035,206	-	5,035,206	10,929,646	2.01%	0.76%	842
4,691,134	-	4,691,134	10,265,926	1.77%	0.64%	783
4,341,925	-	4,341,925	9,598,206	1.59%	0.56%	723
3,987,580	-	3,987,580	13,450,351	2.10%	0.77%	1,001
3,628,100	8,187,914	11,816,014	21,055,328	3.40%	1.25%	1,551
3,263,482	8,036,606	11,300,088	20,334,604	3.22%	1.30%	1,516
2,893,728	7,885,298	10,779,026	15,258,757	2.34%	1.00%	1,133
2,178,739	7,728,990	9,907,729	14,823,078	n/a	0.98%	1,102
1,845,752	7,567,683	9,413,435	13,996,791	n/a	0.89%	1,025

CITY OF AUBURN
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percent of Assessed Value (1)	Population	Per Capita
	General Obligation Bonds	Pension Obligation Bonds	Total			
2004/2005	540,000	-	540,000	0.04%	12,949	42
2005/2006	420,000	4,965,000	5,385,000	0.37%	12,975	32
2006/2007	290,000	4,900,000	5,190,000	0.32%	13,112	396
2007/2008	150,000	4,845,000	4,995,000	0.29%	13,273	376
2008/2009	-	4,775,000	4,775,000	0.27%	13,432	355
2009/2010	-	4,685,000	4,685,000	0.28%	13,578	345
2010/2011	-	4,575,000	4,575,000	0.29%	13,410	341
2011/2012	-	4,450,000	4,450,000	0.29%	13,468	330
2012/2013	-	4,305,000	4,305,000	0.28%	13,446	320
2013/2014	-	4,130,000	4,130,000	0.26%	13,660	302

(1) See Assessed Value and Estimated Actual Value of Taxable Property schedule for property value data.

Source: Auditor-Controller's Office, County of Placer
Administrative Services Department, City of Auburn

CITY OF AUBURN
Direct and Overlapping Bonded Debt
As of June 30, 2014

City Assessed Valuation		<u>\$ 1,575,802,467</u>	
	Percent	Outstanding	Estimated
	Applicable (1)	Debt	Share of
		June 30, 2014	Overlapping
			Debt
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Placer Union High School District	14.650%	\$ 30,549,040	\$ 4,475,434
Total Overlapping Tax and Assessment Debt		<u>30,549,040</u>	<u>4,475,434</u>
OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Placer County General Fund Obligations	2.913%	\$ 42,170,000	1,228,412
Placer County Office of Education Certificates of Participations	2.913%	1,815,000	52,871
Sierra Joint Community College District General Fund Obligations	2.176%	9,635,000	209,658
Placer Union High School District Certificates of Participation	14.650%	4,640,000	679,760
Auburn Union School District Certificates of Participation	40.788%	37,429,000	15,266,541
Placer Mosquito and Vector Control District COPS	2.913%	4,110,000	119,724
Auburn Area Recreation and Park District Certificates of Participation	31.891%	120,000	38,269
Total Overlapping General Fund Obligation Debt		<u>99,919,000</u>	<u>17,595,235</u>
OVERLAPPING TAX INCREMENT DEBT:			
	.011 - 100%	7,420,000	4,320,341
Total Overlapping Debt		<u>137,888,040</u>	<u>26,391,010</u>
DIRECT GENERAL FUND OBLIGATION DEBT:			
City of Auburn Pension Obligations	100.000%	4,130,000	4,130,000
Capital leases	100.000%	453,356	453,356
Total Direct Debt		<u>4,583,356</u>	<u>4,583,356</u>
Total Combined Debt		<u>\$ 142,471,396</u>	<u>\$ 30,974,366</u>
RATIOS TO 2013/2014 ASSESSED VALUATION:			
Total Overlapping Tax and Assessment Debt	1.675%		
RATIOS TO ADJUSTED ASSESSED VALUATION:			
Combined Direct Debt (\$4,583,356)	0.291%		
Combined Total Debt	1.966%		

(1): The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

Source: Auditor-Controller's Office, County of Placer
Administrative Services Department, City of Auburn
California Municipal Statistics

CITY OF AUBURN
Computation of Legal Bonded Debt Margin
June 30, 2014

Secured Property Assessed Value, Net of Exempt Real Property	<u>\$ 1,451,987,008</u>
Bonded debt limit (3.75% of assessed value) (a)	\$ 54,449,513
Less debt subject to limit:	
Total pension obligation bonds at 06/30/14	(4,130,000)
Total sewer revenue bonds at 06/30/14	<u>(7,567,683)</u>
Legal debt margin	<u>\$ 42,751,830</u>

(a) California Government Code Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value at full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Source: Auditor-Controller's Office, County of Placer
Administrative Services Department, City of Auburn

CITY OF AUBURN
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income		Taxable Assessed Valuation	Per Capita Taxable Property Values	Average Unemployment Rate
		Total	Per Capita			
2005	12,849	514,820,883	40,067	1,430,639,424	111,342	3.3%
2006	12,975	543,782,250	41,910	1,557,978,133	120,075	3.2%
2007	13,112	580,992,720	44,310	1,739,635,788	132,675	3.4%
2008	13,273	603,536,583	45,471	1,850,275,254	139,401	4.0%
2009	13,432	640,128,824	47,657	1,999,941,536	148,894	9.4%
2010	13,578	619,346,892	45,614	1,921,190,548	141,493	9.4%
2011	13,410	631,637,820	47,102	1,794,952,305	134,955	8.4%
2012	13,468	652,874,768	48,476	1,745,535,004	129,606	7.7%
2013	13,446	707,651,000	52,629	1,517,619,278	112,867	7.4%
2014	13,660	n/a	n/a	1,575,802,467	-	6.1%

n/a - information is not available until the following year

Source: Auditor-Controller's Office, County of Placer
Administrative Services Department, City of Auburn
Employment Development Department, State of California
Franchise Tax Board

**CITY OF AUBURN
Principal Employers
2014**

<u>Employer</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Placer County Water Agency	194	2.23%
Pride Industries	175	2.01%
AT & T	94	1.08%
Auburn Journal	92	1.06%
Auburn Placer Disposal - Recology	81	0.93%
United States Post Office	68	0.78%
City of Auburn	79	0.90%
Placer County (Domes Offices)	59	0.68%
Nella Oil	84	0.97%
Miltenyi Biotech	53	0.61%

Note: Data pertaining to principal employers for nine years ago is not readily available.

Source: Auburn Area Chamber of Commerce
Employment Development Department, State of California

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CITY OF AUBURN
Full-Time and Part-Time City Government Employees
Last Ten Fiscal Years

	As of June 30,			
	2005	2006	2007	2008
City Council	5.00	5.00	5.00	5.00
City Manager's Office	2.00	2.00	1.50	1.00
City Clerk's Office	2.00	2.00	2.00	2.00
Finance/Administrative Services	4.80	5.00	8.00	6.00
Community Development	9.50	12.00	10.00	8.00
Police Department	32.50	35.50	36.50	36.00
Fire Department	13.00	14.50	13.00	13.00
Public Works	25.50	26.00	27.00	21.50
Airport	1.00	1.00	1.00	-
Total Full-Time Equivalent Employees	95.30	103.00	104.00	92.50

Source: Administrative Services Department, City of Auburn

2009	2010	2011	2012	2013	2014
5.00	5.00	5.00	5.00	5.00	5.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00	4.00
6.50	6.50	5.50	5.50	5.50	4.00
35.00	30.00	28.00	28.00	28.00	28.00
11.00	11.00	11.00	11.00	16.00	16.00
19.50	18.50	18.50	17.50	18.00	18.00
-	-	-	-	-	-
84.00	78.00	75.00	74.00	79.50	78.00

**CITY OF AUBURN
Operating Indicators
Last Ten Fiscal Years**

	Fiscal Year			
	2004/2005	2005/2006	2006/2007	2007/2008
Auburn Airport:				
Tie-downs per year	1,050	978	1,020	1,044
Hangar rentals per year	96	97	120	88
Gallons of fuel sold per year	194,000	155,000	249,094	211,992
Environment and Utilities				
Gallons of wastewater treated per year (in millions)	602	628	530	451
Fire				
Fires per year	130	82	80	210
Emergency medical calls per year	995	1,013	1,093	1,106
Hazardous materials incidents per year	26	34	27	20
Non-emergency service calls per year	176	229	295	251
Police				
911 calls per year	2,966	2,910	2,819	2,666
Cases investigated per year	3,973	4,100	4,271	5,172
Arrests per year	847	886	1,164	1,160
Building Permits				
Building permits issued per year	635	599	596	590
New building and alteration valuation	\$ 45,634,211	\$ 33,298,065	\$ 25,330,689	\$ 14,450,089

Source: City of Auburn

<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
1,034	916	803	884	884	884
83	80	73	62	62	62
209,467	168,016	134,040	168,422	192,481	169,754
446	481	612	506	501	423
108	114	114	86	110	136
1,333	1,377	1,238	1,317	1,377	1,224
47	63	51	36	40	29
336	314	312	257	297	432
2,325	2,541	2,665	306	4,442	5,194
4,986	5,377	4,731	2,864	2,177	2,733
1,134	825	770	542	689	687
455	461	660	484	473	528
\$ 12,391,787	\$ 17,084,250	\$ 11,844,465	\$ 10,573,919	\$ 14,845,275	\$ 12,993,989

CITY OF AUBURN
Capital Asset Statistics
Last Ten Fiscal Years

	Fiscal Year			
	2004/2005	2005/2006	2006/2007	2007/2008
Auburn Airport				
Terminals (Airport Management Building)	1	1	1	1
Runways	1	1	1	1
Airport hangars	81	81	81	81
Environment and Utilities				
Miles of municipal sewer mains	62	62	62	62
Maximum daily capacity (gallons per day)	2,000,000	2,000,000	2,000,000	2,000,000
Fire				
Full-time staffed positions	1	1	1	1
Volunteer stations	2	2	2	2
Police				
Stations	1	1	1	1
Vehicles and motorcycles	25	27	27	27
Community Development				
Miles of municipal roadways	62	62	62	62
Pocket park sites	10	10	10	10

Source: City of Auburn

<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
1	1	1	1	1	1
1	1	1	1	1	1
81	81	81	81	81	81
62	62	62	62	62	50
2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
27	29	29	29	23	29
62	62	62	62	62	62
11	11	11	11	11	11

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