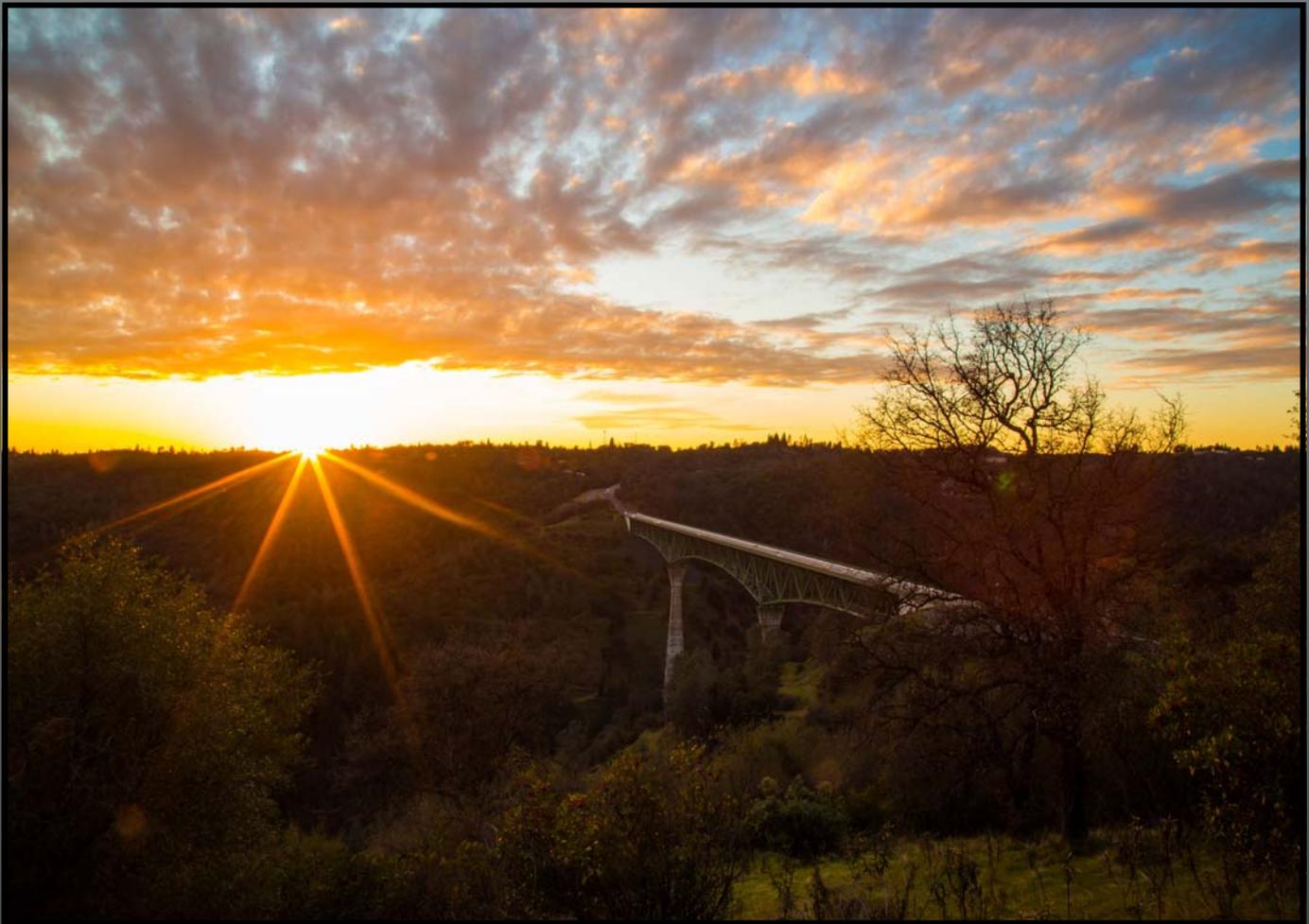




# CITY OF AUBURN CALIFORNIA



**Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2018**

**CITY OF AUBURN, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
AS OF JUNE 30, 2018**

**Prepared by:  
ADMINISTRATIVE SERVICES DEPARTMENT  
Andy Heath, Finance Director**

**CITY OF AUBURN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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## INTRODUCTORY SECTION





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

February 19, 2019

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, 2017 through June 30, 2018. 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 Mann, Urrutia, Nelson, 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 2017-18 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 "unmodified" 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 14,611. 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 controlled by or dependent upon actions taken by the City Council.

## **ECONOMIC CONDITION AND OUTLOOK**

Since the economic recession of 2008 & 2009, the City continues experiencing positive revenue growth. The City continues to maintain responsible levels of General Fund balance as it continues to experience tax revenue growth and continued higher than typical levels of development activity. The City remains well-positioned operationally, with funding priorities determined based on revenue generation, cost efficiency, health and safety, critical staffing needs, cost recovery, project delivery and improved public service and efficiency. Throughout the fiscal year, the City continued to manage General Fund expenditures while also receiving increased levels of sales and property tax.

Periodic updates to a seven-year forecast developed for the City's General Fund help to pinpoint budgetary opportunities and challenges, facilitating the transmission of pertinent fiscal and economic data to resource allocation decision makers. Although the City realized a net decrease in General Fund balance of approximately \$228,000, the General Fund balance of \$5.65 million represents 47% of total expenditures incurred for the fiscal year ended June 30, 2018. The City continues positioning itself to improve and enhance its viability in coming years.

During the last two fiscal years, the California Public Employees Retirement System, or CalPERS, Board has been phasing in the lowering of the discount rate used to compute total pension liabilities from 7.5% to 7.0%. Additionally, beginning next year, the CalPERS Board will begin amortizing portfolio gains and losses; and assumption changes over a twenty year period as opposed to the current thirty year period. These changes in CalPERS board policy are expected to significantly impact the City's finances over the course of the next several years. The City has been responsive to this change by developing the aforementioned forecast that incorporates these significant cost-drivers into a long-term financial model for the City's General Fund. The City continues to closely monitor CalPERS policy changes and the impacts on future budgets.

The City 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, 2018 include the following:

- ❖ The City of completed its single largest capital improvement project in Auburn's history at the Wastewater Treatment Facility in Ophir. The project included a new oxidation ditch, new return pump sludge station, pond modifications and influent mechanical screens.
- ❖ The Auburn Municipal Airport completed an aggressive series of capital improvement projects including replacement of the aircraft wash bay and pollution abatement facility, upgraded taxiway lights to LED and slurry resurfacing of the pavement tie down areas.
- ❖ Experienced significant growth in development with the addition of 29 single family dwellings, 11 multi-family dwellings and 7 commercial buildings citywide.
- ❖ Development of a strong city-centric brand while launching an innovative and cost-effective social media / marketing campaign leading to increased investment and high demand for commercial property throughout the City.

- ❖ Initiation of Wildland Urban Interface fire fuel inspections while completing 760 individual property inspections and fielding 32 parcel complaint-based requests.

## **LONG-TERM FINANCIAL PLANNING AND INITIATIVES**

### ***Fiscal Summary***

The Fiscal Year 2018-19 General Fund Proposed Budget is \$11,888,939, representing a slight decrease of 3.5% over the FY 2017-18 Adjusted Budget. This decrease is primarily attributable to the following factors:

- ✓ Total General Fund capital expenditures of \$655,000 are \$362,000 less than the prior year due to completion of major building projects in FY 2017-18.
- ✓ Public Safety overtime is anticipated to decrease due to program efficiencies and filling of vacant positions.
- ✓ Negotiated salary increases.

### ***Revenues:***

Sales Tax is the largest single revenue source for the General Fund. The Fiscal Year 2018-19 Budget assumes a 12.0% increase to sales tax collections above those collected in 2017-18. Sales tax represents 45% of total General Fund revenues.

Property Taxes are the second largest revenue source in the General Fund. Assessed valuation (AV) is anticipated to increase this year by approximately 3% over the prior year. The improving economy is impacting property tax revenue which the City collects for services such as police, fire, administration and code enforcement. The City anticipates \$3.9 million in property tax revenue for Fiscal Year 2018-19, representing 33% of total revenues received in the General Fund.

### ***Public Works:***

Capital Improvement Plan: The budget adopted for Fiscal Year 2018-19 includes more than \$10.8 million appropriated for all capital projects, the largest project being an \$3.3 million allocation to the Transportation Fund Nevada Street Sidewalk Project. The City continues to strive 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.

### ***Public Safety:***

In July 2018, the City selected a new Fire Chief as the transition from a consolidated approach to managing Police and Fire operations was split into two separate departments. The City continues to fund three firefighter positions formerly paid for by the SAFER Grant as a means to continue focusing on fire safety programs including enhanced response to emergencies and improving community education programs. Finally, the City will be recruiting a new Police Chief during FY 2018-19 as the current Police Chief retires after a long career in public service.

## **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.

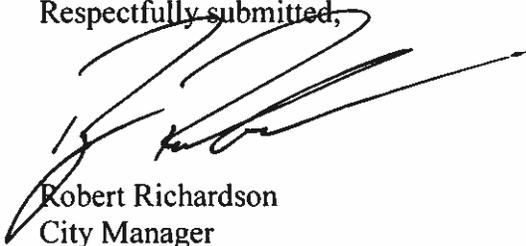
The City continues to meet its responsibility for sound financial management as demonstrated by the statements and schedules included in the financial section of this report.

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.

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,



Robert Richardson  
City Manager



Andy Heath  
Finance Director



**2018**

# City of Auburn Comprehensive Annual Financial Report

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## **Project Team**

Robert Richardson, City Manager

Andy Heath, Finance Director

## **Administrative Staff**

Shari Harris, Human Resources Manager

Christina Shafer, Accountant

## **Special Assistance**

Ryan Kinnan, Police Chief

Dave Spencer, Fire Chief

Bernie Schroeder, Planning & Public Works  
Director

**CITY OF AUBURN**  
**ELECTED OFFICIALS AND**  
**ADMINISTRATIVE PERSONNEL**

**JUNE 30, 2018**

**ELECTED OFFICIALS**

Mayor	Matt Spokely
Vice Mayor	Cheryl Maki
Council Member	Daniel Berlant
Council Member	Bridget Powers
Council Member	William Kirby

**ADMINISTRATIVE PERSONNEL**

**Project Team**

City Manager	Robert Richardson
Finance Director	Andy Heath

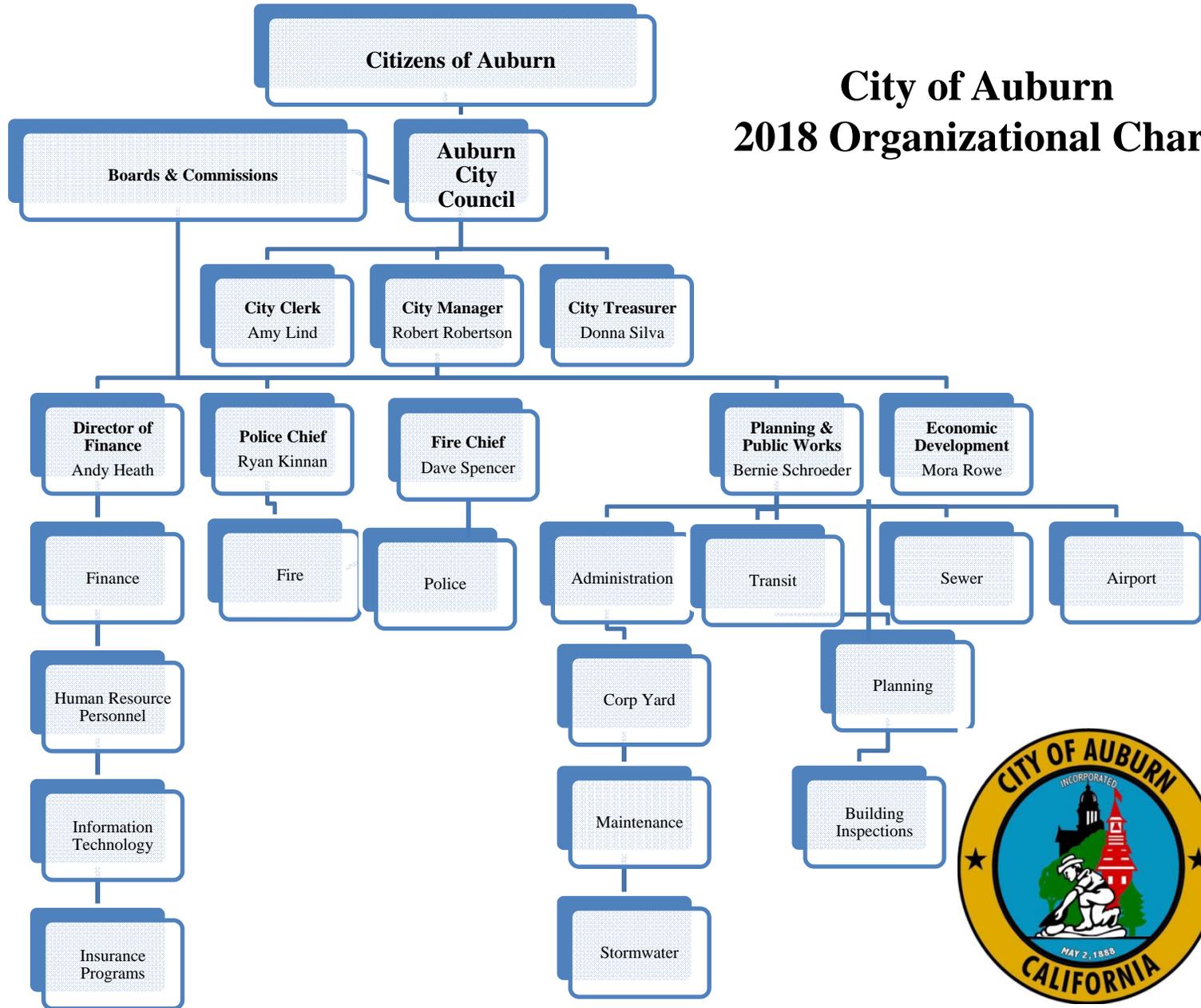
**Administrative Staff**

Human Resources Manager	Shari Harris
Accounting Technician	Christina Shafer

**Special Assistance**

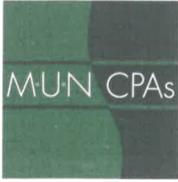
Public Safety Director	John Ruffcorn
Planning & Public Works Director	Bernie Schroeder

# City of Auburn 2018 Organizational Chart



**FINANCIAL SECTION**





## INDEPENDENT AUDITOR'S REPORT

To the City Council of  
the 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 as of and for the year ended June 30, 2018, 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.

### 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 of Auburn, as of June 30, 2018, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension related schedules, and the schedules of changes in the City's net OPEB liability and related ratios 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 of Auburn's basic financial statements. The introductory section, combining and individual nonmajor governmental fund financial statements and budgetary comparison schedules, agency funds, and combining statements, 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 governmental fund financial statements and budgetary comparison schedules and the agency funds and combining statements 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 governmental fund financial statements and budgetary comparison schedules and the agency funds and combining statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2019, on our consideration of the City of Auburn's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Auburn's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Auburn's internal control over financial reporting and compliance.

Sacramento, California  
February 19, 2019

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**CITY OF AUBURN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

This section of the City of Auburn California's Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City's basic financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS FOR THE FISCAL YEAR 2017-18**

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by \$44,618,352 (total net position). Of this amount, there is an unrestricted net position of \$(535,275) to meet long-term and ongoing obligations to citizens, employees and creditors. There is \$2,118,181 restricted for public safety programs, street maintenance and construction, solid waste management, fire protection services, community development and capital projects.
- As of June 30, 2018, the City governmental funds reported combined fund balances of \$7,462,026. Approximately \$5,065,108 of the combined fund balances, or 68%, is available to meet the City's current and future needs (committed and unassigned fund balance).
- An annual deficit of \$(227,664) was realized in the City's General fund during the fiscal year. Total General fund balance as of June 30, 2018 was \$5,650,340.

**OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT**

The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information (RSI) in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. They provide information about the activities of the City as a whole and present a long-term view of the City's finances.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, 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 of Auburn is strengthening or weakening.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash receipts or disbursements. Thus, revenues and expenses are reported in this statement for some items that will only result in cash receipts or disbursements in future fiscal periods, such as property taxes assessed for the current year but received after June 30, or vacation leave earned in the current year but not utilized until a subsequent year.

The government-wide financial statements of the City are divided as follows:

Governmental activities

These are activities that are principally supported by taxes and intergovernmental revenues. For the City of Auburn, governmental activities include general government, public safety, transportation and community development.

Business-type activities

These are activities that are primarily funded through user fees and charges. The City of Auburn's business-type activities include the airport and wastewater treatment operating facility.

**CITY OF AUBURN**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018

**Fund Financial Statements**

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

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, which focus on the long-term, governmental fund financial statements focus on short-term inflows and outflows of spendable resources and the balances of those spendable resources available for spending. This information is useful in evaluating a government's short-term financing requirements.

To assist the user of these financial statements in understanding the differences and the relationship between the government-wide financial statements and the governmental funds financial statements, reconciliations between the two sets of statements have been included in this report.

The reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position highlights the inclusion of capital assets and long-term liabilities in the government-wide financial statements.

The reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities highlights the exclusion of capital expenditures, depreciation, and cash flows related to long-term liabilities from the governmental fund statements.

The City of Auburn maintains numerous individual funds, which for financial reporting, are grouped according to their type (general fund, special revenue, and capital projects). Funds whose expenditures exceed 10% of the total expenditures for all governmental funds, or meet other specific criteria for determining their importance to the financial statement user, are designated Major Funds, and are reported separately in the governmental funds statements. All other funds are grouped together for reporting purposes. Major funds for the City of Auburn are:

- General Fund
- Transportation
- HOME Housing Rehabilitation & First Time Homebuyer

Individual fund data for each non-major governmental fund is provided in combining statements included in the Supplementary Information section of this report.

Proprietary funds

Proprietary funds are generally used to account for services for which the City charges customers - either outside customers, or internal units of departments with 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 Waste Water Treatment Facility.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the reporting government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City utilizes two types of fiduciary funds:

- Private-purpose trust funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.
- Agency funds are used to record assets of separate organizations for which the City serves as a custodian for the organization. All assets in agency funds are offset by a liability to the organization on whose behalf they are held.

**CITY OF AUBURN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**Notes to the Financial Statements**

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

**Required Supplementary Information**

This report presents required supplementary information concerning the City of Auburn's progress in its obligation to provide pension and other post-employment benefits to its employees, and budgetary comparison information for the City's general fund and major special revenue funds.

**Combining and Individual Fund Statements and Schedules**

This final section of the report includes combining information for the City's non-major funds and fiduciary funds.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

This section of the Management Discussion and Analysis provides a comparison and review of governmental activities for two fiscal years. In addition, an analysis of the current fiscal year net position and changes in net position is provided.

**Table 1**  
**Statement of Net Position**  
**As of June 30, 2018 and 2017**  
**(in thousands)**

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total Government</u>		
	<u>2018</u>	<u>2017</u>	<u>Net Change</u>	<u>2018</u>	<u>2017</u>	<u>Net Change</u>	<u>2018</u>	<u>2017</u>	<u>Net Change</u>
<b>ASSETS</b>									
Current and other assets	\$ 11,619	\$ 10,681	\$ 938	\$ 11,314	\$ 5,453	\$ 5,861	\$ 22,933	\$ 16,134	\$ 6,799
Capital assets	<u>19,838</u>	<u>20,612</u>	<u>(774)</u>	<u>38,976</u>	<u>35,188</u>	<u>3,788</u>	<u>58,814</u>	<u>55,800</u>	<u>3,014</u>
Total Assets	<u>31,457</u>	<u>31,293</u>	<u>164</u>	<u>50,290</u>	<u>40,641</u>	<u>9,649</u>	<u>81,747</u>	<u>71,934</u>	<u>9,813</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>5,041</u>	<u>4,241</u>	<u>800</u>	<u>1,329</u>	<u>1,192</u>	<u>137</u>	<u>6,370</u>	<u>5,433</u>	<u>937</u>
<b>LIABILITIES</b>									
Current and other liabilities	2,317	1,595	722	1,146	1,469	(323)	3,463	3,064	399
Long-term liabilities	<u>21,489</u>	<u>20,094</u>	<u>1,395</u>	<u>17,526</u>	<u>8,271</u>	<u>9,255</u>	<u>39,015</u>	<u>28,365</u>	<u>10,650</u>
Total Liabilities	<u>23,806</u>	<u>21,689</u>	<u>2,117</u>	<u>18,672</u>	<u>9,740</u>	<u>8,932</u>	<u>42,478</u>	<u>31,429</u>	<u>11,049</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>898</u>	<u>1,040</u>	<u>(142)</u>	<u>123</u>	<u>67</u>	<u>56</u>	<u>1,021</u>	<u>1,107</u>	<u>(86)</u>
<b>NET POSITION</b>									
Net investment in capital assets	19,644	20,247	(603)	23,392	28,337	(4,945)	43,036	48,584	(5,548)
Restricted	2,118	2,112	6	-	-	-	2,118	2,112	6
Unrestricted	<u>(9,968)</u>	<u>(9,554)</u>	<u>(414)</u>	<u>9,432</u>	<u>3,689</u>	<u>5,743</u>	<u>(536)</u>	<u>(5,865)</u>	<u>5,329</u>
Total Net Position	<u>\$ 11,794</u>	<u>\$ 12,805</u>	<u>\$ (1,011)</u>	<u>\$ 32,824</u>	<u>\$ 32,026</u>	<u>\$ 798</u>	<u>\$ 44,618</u>	<u>\$ 44,831</u>	<u>\$ (213)</u>

**CITY OF AUBURN**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018

***Governmental Activities***

The City's governmental net position amounted to \$11.8 million as of June 30, 2018, a decrease of approximately \$(1,011) thousand over the fiscal year ended June 30, 2017. This decrease is the change in net position reflected in the Governmental Activities column of the Statement of Activities, including pension adjustments reflected in Table 1. The City's net position from governmental activities as of June 30, 2018, is comprised of the following:

- Cash and investments comprised \$6,953,846 in the City treasury, \$119,979 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 2 to the financial statements.
- Current accounts, taxes and intergovernmental receivables comprised \$2,180,987, a decrease of \$13,583 over the previous year.
- Loans receivable comprised \$2,217,386, all of which represents loans provided by the City's Home Investment Partnerships Program to support first time homebuyers and housing rehabilitation and Community Development Block Grant Program to support small business development.
- Capital assets of \$19,837,699, net of accumulated depreciation, 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 \$1,477,511.
- A net pension liability of \$16,093,934 and net OPEB liability of \$1,557,857.
- Long-term liabilities comprised \$4,676,774, which includes Pension Obligation Bond Series A-1, issued in 2006.
- Net position invested in capital assets net of related debt of \$19.6 million, a slight decrease over the previous year (\$20.2 million). This represents 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 \$2.1 million which may be used only to construct specified capital projects or for public safety programs, street maintenance and construction, solid waste management, and community development.
- Unrestricted net position is the portion 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 a negative unrestricted net position of \$(9,967,752) as of June 30, 2018. This is due to long-term pension obligations and long-term OPEB obligation that are now shown in the financial statements per GASB No. 68 and No. 75, respectively.

***Business-Type Activities***

- Cash and investments comprised \$9,269,671 in the City Treasury, \$23,050 of which is restricted in use as detailed in Note 2 to the financial statements.
- Current accounts, taxes and intergovernmental receivables comprised \$2,044,280.
- Total capital assets of \$38,976,274, net of accumulated depreciation.
- Current liabilities, including accounts and interest payable, and deposits, comprised \$662,567.
- A net pension liability of \$1,294,137 and net OPEB liability of \$80,698.
- Long-term liabilities comprised \$16,634,926.
- Net position invested in capital assets net of related debt of \$23.4 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.
- Unrestricted net position of \$9,432,477.

**CITY OF AUBURN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**Table 2**  
**Changes in Net Position**  
**For the Years Ended June 30, 2018 and 2017**  
**(in thousands)**

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total Government</u>		
	<u>2018</u>	<u>2017</u>	<u>Net Change</u>	<u>2018</u>	<u>2017</u>	<u>Net Change</u>	<u>2018</u>	<u>2017</u>	<u>Net Change</u>
<b>REVENUES</b>									
Program revenues									
Charges for services	\$ 1,445	\$ 1,859	\$ (414)	\$ 7,359	\$ 7,166	\$ 193	\$ 8,804	\$ 9,025	\$ (221)
Operating grants and contributions	2,686	2,630	56	40	-	40	2,726	2,630	96
Capital grants and contributions	-	46	(46)	72	86	(14)	72	132	(60)
General revenues									
Taxes	9,833	9,742	91	51	46	5	9,884	9,788	96
Interest and investment loss	73	17	56	70	24	46	143	41	102
Other revenue	263	109	154	2	56	(54)	265	165	100
Transfers	330	30	300	(330)	(30)	(300)	-	-	-
<b>Total Revenues</b>	<b>14,630</b>	<b>14,433</b>	<b>197</b>	<b>7,264</b>	<b>7,348</b>	<b>(84)</b>	<b>21,894</b>	<b>21,781</b>	<b>113</b>
<b>EXPENSES</b>									
Governmental activities									
General government	2,994	2,145	849	-	-	-	2,994	2,145	849
Public safety	7,887	6,669	1,218	-	-	-	7,887	6,669	1,218
Transportation	2,932	2,584	348	-	-	-	2,932	2,584	348
Community development	1,622	1,552	70	-	-	-	1,622	1,552	70
Interest on long-term liabilities	206	219	(13)	-	-	-	206	219	(13)
Airport	-	-	-	807	893	(86)	807	893	(86)
Sewer	-	-	-	5,659	4,645	1,014	5,659	4,645	1,014
<b>Total Expenses</b>	<b>15,641</b>	<b>13,169</b>	<b>2,472</b>	<b>6,466</b>	<b>5,538</b>	<b>928</b>	<b>22,107</b>	<b>18,707</b>	<b>3,400</b>
Change in net position	(1,011)	1,264	(2,275)	798	1,810	(1,012)	(213)	3,074	(3,287)
Net position - beginning of year	12,805	11,493	1,312	32,026	29,682	2,344	44,831	41,175	3,656
Restatement	-	48	(48)	-	534	(534)	-	582	(582)
Net position - beginning of year, restated	12,805	11,541	1,264	32,026	30,216	1,810	44,831	41,757	3,074
Net position - end of year	\$ 11,794	\$ 12,805	\$ (1,011)	\$ 32,824	\$ 32,026	\$ 798	\$ 44,618	\$ 44,831	\$ (213)

**Governmental Activities**

Governmental activities net position increased to \$11,794,123 during fiscal year 2017-18.

As Table 2 above shows, \$4,130,733 of the City's fiscal year 2017-18 revenue derived from the program revenues, while \$10,499,797 is derived from general revenues such as taxes, rents and interest.

Program revenues are composed of fees and charges for services of \$1,444,518 that include permit revenues, fees and charges used to fund expenses incurred in providing services; and \$2,686,215 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.

**CITY OF AUBURN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

***Business-Type Activities***

Business-type activities net position increased to \$32,824,229 during fiscal year 2017-18.

Net position in the City's Airport fund increased by \$57,484 during fiscal year 2017-18. The increase is primarily attributable to a reimbursement received for water line costs related to a new hangar being built.

Net position in the City's Sewer fund increased \$741,156 during fiscal year 2017-18. The increase can be attributed to increased sewer fees offset by lower maintenance costs.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City uses fund accounting to ensure compliance with finance-related legal requirements. The fund financial statements presented in this report address the need of the City to demonstrate compliance with financial restrictions and allow the statement's users to separately analyze individual funds.

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

**Table 3**  
**Revenues Classified by Source**  
**Governmental Funds**  
**For the Years Ended June 30, 2018 and 2017**  
**(in thousands)**

	2018		2017		Variance	% Change
	Amount	% of Total	Amount	% of Total		
Taxes	\$ 9,833,554	68.4 %	\$ 9,742,237	69.1 %	\$ 91,317	0.9 %
Licenses and permits	744,953	5.2 %	699,752	5.0 %	45,201	6.5 %
Fines and forfeitures	130,891	0.9 %	68,699	0.5 %	62,192	90.5 %
Use of money and property	372,647	2.6 %	339,164	2.4 %	33,483	9.9 %
Intergovernmental	2,686,215	18.7 %	2,310,359	16.4 %	375,856	16.3 %
Charges for services	326,781	2.3 %	687,819	4.9 %	(361,038)	(52.5)%
Other revenues	290,283	2.0 %	242,380	1.7 %	47,903	19.8 %
	<u>\$ 14,385,324</u>	<u>100.1 %</u>	<u>\$ 14,090,410</u>	<u>100.0 %</u>	<u>\$ 294,914</u>	<u>2.1 %</u>

Collections of taxes increased by \$91,317, primarily due as a result of increase in assessed valuation resulting in higher levels of property taxes.

Collections of licenses and permits increased by \$45,201 due primarily to a one-time recognition of business license revenues resulting from a change in billing practices.

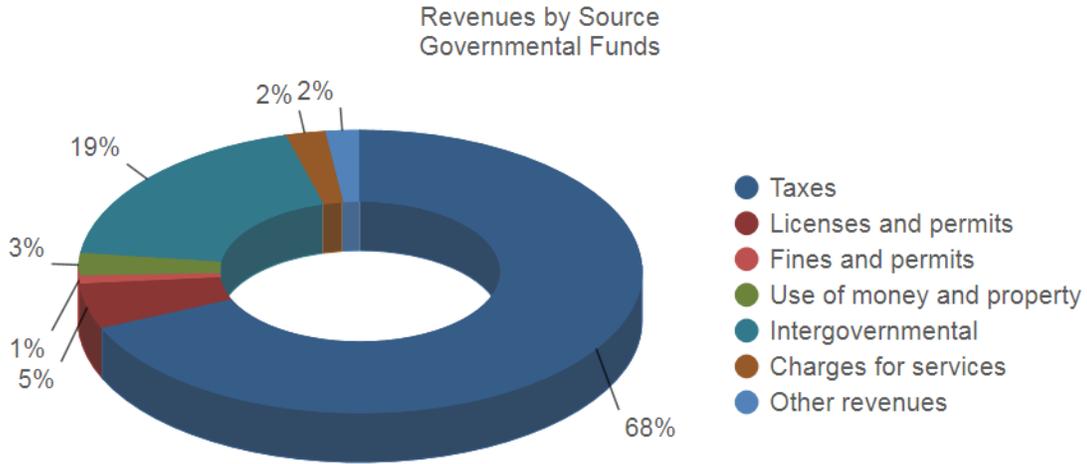
Collections of fines, forfeitures and penalties increased by \$62,192 due to higher collections of traffic and civil fines.

Collections of intergovernmental revenues increased by \$375,856 million due to continued increased collections of revenues related to transportation activities.

Collections of charges for services decreased by \$(361,038) due to decreased development fee collections compared to the prior year.

Collections of other revenues increased by \$47,903.

**CITY OF AUBURN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**



**Table 4**  
**Expenditures by Function**  
**Governmental Funds**  
**For the Years Ended June 30, 2018 and 2017**  
**(in thousands)**

	2018		2017		Variance	% Change
	Amount	% of Total	Amount	% of Total		
General government	\$ 2,288,827	15.4 %	\$ 1,856,144	13.2 %	\$ 432,683	23.3 %
Public safety	7,127,305	47.9 %	6,921,049	49.3 %	206,256	3.0 %
Transportation	2,148,445	14.5 %	1,953,480	13.9 %	194,965	10.0 %
Community development	1,365,295	9.2 %	913,172	6.5 %	452,123	49.5 %
Capital outlay	1,352,992	9.1 %	1,765,191	12.6 %	(412,199)	(23.4)%
Debt service: principal	377,477	2.5 %	418,470	3.0 %	(40,993)	(9.8)%
Debt service: interest	206,005	1.4 %	219,479	1.6 %	(13,474)	(6.1)%
	<u>\$ 14,866,346</u>	<u>100.0 %</u>	<u>\$ 14,046,985</u>	<u>100.1 %</u>	<u>\$ 819,361</u>	<u>5.8 %</u>

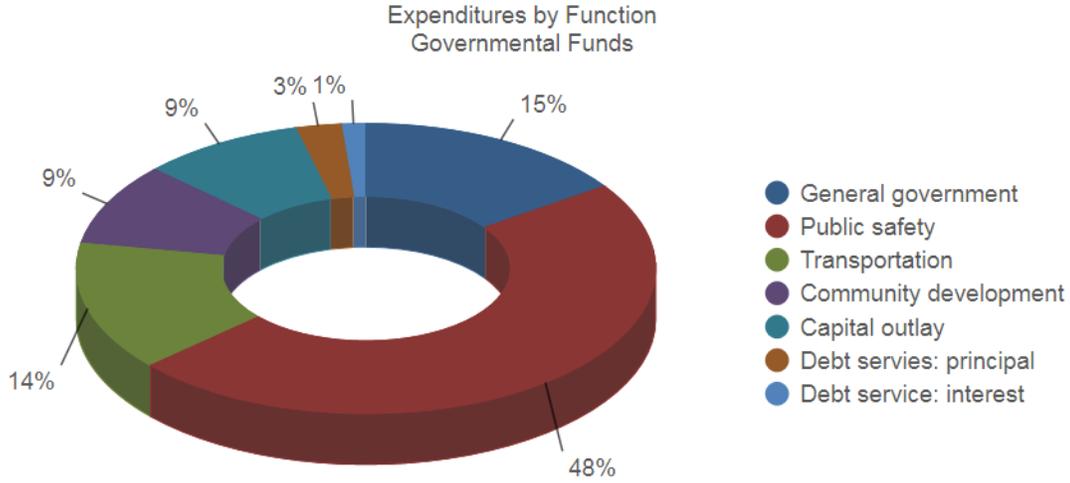
The \$819,361 increase in governmental fund expenditures during the fiscal year 2017-18 can be primarily attributed to the following:

Increased public safety costs related to the Fire SAFER grant and higher overtime costs incurred.

Increased general government costs due to the addition of the Economic Development Department.

Increased community development costs due to loans provided for in the City's CDBG and Home programs.

**CITY OF AUBURN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**



**General Fund**

The General Fund is the main operating fund of the City, and accounts for general operations including public safety, community development, and administration. The General Fund experienced an overall decrease in total revenues of \$(155,344) or (1.3%). This decrease can be attributed to lower overall collections of development-related revenues. The General Fund experienced an overall increase in expenditures of \$567,287 or 4.9%. This increase can be attributed to higher general government and public safety costs offset by lower amounts expended towards capital projects.

At June 30, 2018, the General Fund fund balance was \$5,650,340 of which \$5,383,812 is committed for economic uncertainty or unassigned. The total fund balance decreased by \$(227,664) during the year. As a measure of the General Fund's ability to meet operating expenditures, it is useful to note that committed and unassigned fund balance represents approximately 44.4% of total General Fund expenditures.

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

**Table 5**  
**General Fund Revenues by Source**  
**For the Years Ended June 30, 2018 and 2017**  
**(in thousands)**

	2018		2017		Variance	% Change
	Amount	% of Total	Amount	% of Total		
Taxes	\$ 9,678,889	82.6 %	\$ 9,596,462	80.9 %	\$ 82,427	0.9 %
Licenses and permits	595,753	5.1 %	527,638	4.4 %	68,115	12.9 %
Fines and forfeitures	130,891	1.1 %	68,699	0.6 %	62,192	90.5 %
Use of money and property	349,768	3.0 %	315,389	2.7 %	34,379	10.9 %
Intergovernmental	690,465	5.9 %	729,550	6.1 %	(39,085)	(5.4)%
Charges for services	222,896	1.9 %	542,367	4.6 %	(319,471)	(58.9)%
Other revenues	43,225	0.4 %	87,126	0.7 %	(43,901)	(50.4)%
	<u>\$ 11,711,887</u>	<u>100.0 %</u>	<u>\$ 11,867,231</u>	<u>100.0 %</u>	<u>\$ (155,344)</u>	<u>(1.3)%</u>

**CITY OF AUBURN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**Table 6**  
**General Fund Expenditures by Function**  
**For the Years Ended June 30, 2018 and 2017**  
**(in thousands)**

	2018		2017		Variance	% Change
	Amount	% of Total	Amount	% of Total		
General government	\$ 2,275,851	18.8 %	\$ 1,855,580	16.0 %	\$ 420,271	22.6 %
Public safety	6,906,325	57.0 %	6,594,197	57.0 %	312,128	4.7 %
Transportation	1,193,148	9.8 %	1,044,716	9.0 %	148,432	14.2 %
Community development	955,934	7.9 %	722,107	6.1 %	233,827	32.4 %
Capital outlay	311,313	2.6 %	710,131	6.1 %	(398,818)	(56.2)%
Debt service: principal	285,000	2.3 %	418,470	3.6 %	(133,470)	(31.9)%
Debt service: interest	204,396	1.7 %	219,479	1.9 %	(15,083)	(6.9)%
	<u>\$ 12,131,967</u>	<u>100.1 %</u>	<u>\$ 11,564,680</u>	<u>99.7 %</u>	<u>\$ 567,287</u>	<u>4.9 %</u>

**Enterprise 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 7**  
**Revenues by Source**  
**Proprietary Funds**  
**For the Years Ended June 30, 2018 and 2017**  
**(in thousands)**

	2018		2017		Variance	% Change
	Amount	% of Total	Amount	% of Total		
Operating revenues:						
Charges for services	\$ 7,359,071	96.9 %	\$ 7,165,913	97.2 %	\$ 193,158	2.7 %
Other operating revenues	73,733	1.0 %	141,489	1.9 %	(67,756)	(47.9)%
Non-operating revenues:						
Taxes	51,249	0.7 %	45,626	0.6 %	5,623	12.3 %
Intergovernmental	40,000	0.5 %	-	- %	40,000	DIV/0 %
Interest	69,943	0.9 %	24,146	0.3 %	45,797	189.7 %
	<u>\$ 7,593,996</u>	<u>100.0 %</u>	<u>\$ 7,377,174</u>	<u>100.0 %</u>	<u>\$ 216,822</u>	<u>2.9 %</u>

Total revenues for business-type activities increased \$216,822 during the year. This increase is primarily due to higher fee collections due to a sewer rate increase.

**CITY OF AUBURN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

The following table presents the amount of expenses for the City's proprietary funds:

**Table 8**  
**Expenses by Type**  
**Proprietary Funds**  
**For the Years Ended June 30, 2018 and 2017**  
**(in thousands)**

	<b>2018</b>		<b>2017</b>		<b>Variance</b>	<b>% Change</b>
	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>		
Operating expenses:						
Salaries and benefits	\$ 1,008,845	14.9 %	\$ 931,483	16.8 %	\$ 77,362	8.3 %
Services and supplies	2,837,061	41.7 %	2,557,966	45.9 %	279,095	10.9 %
Maintenance	727,423	10.7 %	243,232	4.4 %	484,191	199.1 %
Depreciation	1,610,816	23.7 %	1,558,122	28.0 %	52,694	3.4 %
Non-operating expenses						
Interest and amortization	281,211	4.1 %	246,300	4.4 %	34,911	14.2 %
Transfers	<u>330,000</u>	<u>4.9 %</u>	<u>30,000</u>	<u>0.5 %</u>	<u>300,000</u>	<u>1,000.0 %</u>
	<u>\$ 6,795,356</u>	<u>100.0 %</u>	<u>\$ 5,567,103</u>	<u>100.0 %</u>	<u>\$ 1,228,253</u>	<u>22.1 %</u>

The \$1,228,253 net increase in proprietary fund expenses during the fiscal year can be primarily attributed to the following:

- A \$77,362 increase in salaries and benefits related to an adjustment recognized for the City's pension cost distribution in the City's Sewer fund.
- A \$279,095 increase in services and supplies related to increased sewer system and airport operating costs.
- A \$484,191 increase in maintenance expenses related to higher sewer capital and maintenance costs.
- An increase in transfers out to other funds related to the sewer line work for the Nevada Street Sidewalk Project.

**CITY OF AUBURN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

Detailed information regarding composition and activity in capital assets is provided in Note 3 to the financial statements. The City's investment in capital assets as of June 30, 2018 totaled \$58,813,973 (net of accumulated depreciation). The investment in capital assets includes land and land improvements, buildings, furniture and fixtures, machinery and equipment, vehicles, streets, highways, drainage systems, and construction in progress.

**Table 9**  
**Capital Assets at the End of the Year**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ -	\$ -	\$ 2,874,395	\$ 2,874,395	\$ 2,874,395	\$ 2,874,395
Construction in progress	1,122,472	538,795	15,686,061	10,345,688	16,808,533	10,884,483
Infrastructure	7,429,849	7,429,849	34,648,111	34,648,111	42,077,960	42,077,960
Buildings and improvements	5,947,952	5,947,952	-	-	5,947,952	5,947,952
Equipment	7,356,181	6,982,728	2,521,576	2,462,867	9,877,757	9,445,595
Land improvements	15,032,468	15,032,468	-	-	15,032,468	15,032,468
Accumulated depreciation	<u>(17,051,223)</u>	<u>(15,319,982)</u>	<u>(16,753,869)</u>	<u>(15,143,053)</u>	<u>(33,805,092)</u>	<u>(30,463,035)</u>
Total	<u>\$ 19,837,699</u>	<u>\$ 20,611,810</u>	<u>\$ 38,976,274</u>	<u>\$ 35,188,008</u>	<u>\$ 58,813,973</u>	<u>\$ 55,799,818</u>

**Debt Administration**

The City's total long-term debt for governmental activities decreased by \$542,450 primarily due to principal and interest payments made for pension obligation bonds and capital leases.

The City's total debt for its business-type activities increased \$8,685,857 primarily as a result of the receipt of loan proceeds of \$9,221,158 and making principal and interest payments on outstanding loans and revenue bonds for debt service related to the City's Waste Water Treatment Facility Upgrade.

Detailed information regarding composition and activity in long-term debt is provided in Note 5 to the financial statements.

**Table 10**  
**Long-Term Debt**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Pension obligation bonds	\$ 3,160,000	\$ 3,445,000	\$ -	\$ -	\$ 3,160,000	\$ 3,445,000
Loans payable	-	-	9,745,678	824,057	9,745,678	824,057
Revenue bonds	-	-	6,787,411	7,020,859	6,787,411	7,020,859
Capital leases	194,005	365,073	-	-	194,005	365,073
Compensated absences	<u>1,322,769</u>	<u>1,409,151</u>	<u>101,837</u>	<u>104,153</u>	<u>1,424,606</u>	<u>1,513,304</u>
Total	<u>\$ 4,676,774</u>	<u>\$ 5,219,224</u>	<u>\$ 16,634,926</u>	<u>\$ 7,949,069</u>	<u>\$ 21,311,700</u>	<u>\$ 13,168,293</u>

**CITY OF AUBURN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**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 2017. Subsequent to the adoption of the annual budget, the budget was reviewed in April 2018 and necessary budget adjustments were approved by the City Council.

For the General Fund, the original FY 2017-18 budget was approved in June 2017, and estimated approximately \$12.0 million in revenue and sources and allocated \$12.1 million in appropriations. In April 2018, the General Fund budget was updated, adjusting anticipated revenues in the General Fund to \$11.7 million while appropriations were updated to \$12.3 million with an implied use of \$647,370 in General Fund Balance to balance the budget. Ultimately, at the close of the fiscal year, revenues were \$11.9 million and appropriations were \$12.1 million, leading to a \$228,000 negative net change in fund balance.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The budget developed for FY 2018-19 was adopted by the City Council on June 25, 2018. The General Fund budget approved by the City Council anticipates \$11,960,126 in revenues and \$11,888,939 in expenditures. The City will continue to closely monitor economic activity along with actions taken by regional and state governments that may impact the City budget.

Revenue growth rates for development-related fees are expected to decrease modestly as citywide development retreats to consistent levels following strong development years in FY 2016/17 and FY 2017/18. Modest growth rates are projected for property, sales and transient occupancy taxes. The FY 2018/19 General Fund budget also anticipates increasing expenditures for employee salaries, medical benefits and pension costs and continuing appropriation of \$500,000 towards the City's Street Overlay Program.

**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  
Department of Administrative Services  
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](http://www.auburn.ca.gov) for contact information.

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**CITY OF AUBURN**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash and investments (Note 2)	\$ 6,833,867	\$ 9,246,621	\$ 16,080,488
Receivables:			
Accounts	292,739	299,924	592,663
Intergovernmental	539,712	1,742,771	2,282,483
Taxes	1,348,536	1,585	1,350,121
Prepaid items	266,528	-	266,528
Loans receivable	2,217,386	-	2,217,386
Restricted cash and investments (Note 2)	119,979	23,050	143,029
Capital assets (Note 3):			
Land and construction in progress	1,122,472	18,560,456	19,682,928
Other capital assets, net of depreciation	<u>18,715,227</u>	<u>20,415,818</u>	<u>39,131,045</u>
Total capital assets	<u>19,837,699</u>	<u>38,976,274</u>	<u>58,813,973</u>
<b>Total Assets</b>	<b><u>31,456,446</u></b>	<b><u>50,290,225</u></b>	<b><u>81,746,671</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred amount on bond refunding (Note 6)	-	948,567	948,567
Changes in the net pension liability (Note 9)	<u>5,041,338</u>	<u>380,760</u>	<u>5,422,098</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>5,041,338</u></b>	<b><u>1,329,327</u></b>	<b><u>6,370,665</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued liabilities	1,357,505	639,517	1,997,022
Accrued interest	27	-	27
Deposits	119,979	23,050	143,029
Long-term liabilities (Note 5):			
Due within one year	839,591	483,454	1,323,045
Due in more than one year	3,837,183	16,151,472	19,988,655
Net OPEB liability (Note 10):			
Due in more than one year	1,557,857	80,698	1,638,555
Net pension liability (Note 9):			
Due in more than one year	<u>16,093,934</u>	<u>1,294,137</u>	<u>17,388,071</u>
<b>Total Liabilities</b>	<b><u>23,806,076</u></b>	<b><u>18,672,328</u></b>	<b><u>42,478,404</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Changes in the net OPEB liability (Note 10)	71,619	5,474	77,093
Changes in the net pension liability (Note 9)	<u>825,966</u>	<u>117,521</u>	<u>943,487</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>897,585</u></b>	<b><u>122,995</u></b>	<b><u>1,020,580</u></b>
<b><u>NET POSITION</u></b>			
Net investment of capital assets	19,643,694	23,391,752	43,035,446
Restricted for:			
Public safety	30,954	-	30,954
Street maintenance and construction	63,299	-	63,299
Solid waste management	298,949	-	298,949
Fire protection services	237,758	-	237,758
Community development	390,696	-	390,696
Capital projects	1,096,525	-	1,096,525
Unrestricted	<u>(9,967,752)</u>	<u>9,432,477</u>	<u>(535,275)</u>
<b>Total Net Position</b>	<b><u>\$ 11,794,123</u></b>	<b><u>\$ 32,824,229</u></b>	<b><u>\$ 44,618,352</u></b>

See accompanying notes to the basic financial statements.

**CITY OF AUBURN**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>PRIMARY GOVERNMENT</b>							
Governmental activities:							
General government	\$ 2,994,356	\$ 901,002	\$ 272	\$ -	\$ (2,093,082)	\$ -	\$ (2,093,082)
Public safety	7,886,666	157,876	822,189	-	(6,906,601)	-	(6,906,601)
Transportation	2,932,160	380,508	1,557,897	-	(993,755)	-	(993,755)
Community development	1,622,255	5,132	305,857	-	(1,311,266)	-	(1,311,266)
Interest and fiscal charges	206,005	-	-	-	(206,005)	-	(206,005)
Total governmental activities	<u>15,641,442</u>	<u>1,444,518</u>	<u>2,686,215</u>	<u>-</u>	<u>(11,510,709)</u>	<u>-</u>	<u>(11,510,709)</u>
Business-type activities:							
Airport	806,418	690,185	40,000	71,733	-	(4,500)	(4,500)
Sewer	5,658,938	6,668,886	-	-	-	1,009,948	1,009,948
Total business-type activities	<u>6,465,356</u>	<u>7,359,071</u>	<u>40,000</u>	<u>71,733</u>	<u>-</u>	<u>1,005,448</u>	<u>1,005,448</u>
Total primary government	<u>\$ 22,106,798</u>	<u>\$ 8,803,589</u>	<u>\$ 2,726,215</u>	<u>\$ 71,733</u>	<u>(11,510,709)</u>	<u>1,005,448</u>	<u>(10,505,261)</u>
General revenues:							
Taxes:							
Property taxes					3,855,830	51,249	3,907,079
Sales and use taxes					4,811,629	-	4,811,629
Franchise taxes					756,161	-	756,161
Transient occupancy tax					323,551	-	323,551
Other taxes					86,383	-	86,383
Interest and investment income					73,030	69,943	142,973
Miscellaneous					263,213	2,000	265,213
Transfers (Note 4)					<u>330,000</u>	<u>(330,000)</u>	<u>-</u>
Total general revenues and transfers					<u>10,499,797</u>	<u>(206,808)</u>	<u>10,292,989</u>
Change in net position					(1,010,912)	798,640	(212,272)
Net position - July 1, 2017					<u>12,805,035</u>	<u>32,025,589</u>	<u>44,830,624</u>
Net position - June 30, 2018					<u>\$ 11,794,123</u>	<u>\$ 32,824,229</u>	<u>\$ 44,618,352</u>

See accompanying notes to the basic financial statements.

**CITY OF AUBURN**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

	<b>General Fund</b>	<b>Transportation</b>	<b>HOME Housing Rehabilitation &amp; First Time Homebuyer</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b><u>ASSETS</u></b>					
Cash and investments	\$ 4,703,829	\$ -	\$ 12,209	\$ 2,117,829	\$ 6,833,867
Receivables:					
Accounts	141,992	-	-	150,747	292,739
Taxes	1,348,536	-	-	-	1,348,536
Intergovernmental	77,888	461,824	-	-	539,712
Due from other funds	342,369	-	-	-	342,369
Prepaid items and supplies	266,528	-	-	-	266,528
Restricted cash and investments	119,979	-	-	-	119,979
Loans receivable	-	-	2,100,203	117,183	2,217,386
	\$ 7,001,121	\$ 461,824	\$ 2,112,412	\$ 2,385,759	\$ 11,961,116
Total Assets					
	\$ 7,001,121	\$ 461,824	\$ 2,112,412	\$ 2,385,759	\$ 11,961,116
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>					
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 1,230,775	\$ 55,037	\$ -	\$ 71,693	\$ 1,357,505
Accrued interest	27	-	-	-	27
Deposits payable	119,979	-	-	-	119,979
Due to other funds	-	61,474	-	280,895	342,369
	1,350,781	116,511	-	352,588	1,819,880
Total Liabilities					
	1,350,781	116,511	-	352,588	1,819,880
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	-	461,824	2,100,203	117,183	2,679,210
	-	461,824	2,100,203	117,183	2,679,210
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable for:					
Prepaid costs	266,528	-	-	-	266,528
Restricted	-	-	12,209	2,118,181	2,130,390
Committed to:					
Economic uncertainty	2,635,012	-	-	-	2,635,012
Unassigned	2,748,800	(116,511)	-	(202,193)	2,430,096
	5,650,340	(116,511)	12,209	1,915,988	7,462,026
Total Fund Balances (Deficits)					
	5,650,340	(116,511)	12,209	1,915,988	7,462,026
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 7,001,121	\$ 461,824	\$ 2,112,412	\$ 2,385,759	\$ 11,961,116

See accompanying notes to the basic financial statements.

**CITY OF AUBURN**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

Total fund balances reported on the governmental funds balance sheet	\$ 7,462,026
Amounts reported for governmental activities in the statement of net position are different from those reported in the Governmental Funds above because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$17,051,223	19,837,699
Revenues which are deferred on the Fund Balance Sheet because they are not available currently are taken into revenue in the Statement of Activities	461,824
Certain notes, loans, and interest receivables are not available to pay for current period expenditures and therefore are offset by deferred inflows of resources in the governmental funds	2,217,386
Deferred outflows related to changes in the net pension liability are not reported in the governmental funds	5,041,338
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(3,160,000)
Capital lease obligations payable	(194,005)
Compensated absences	(1,322,769)
Net OPEB liability	(1,557,857)
Net pension liability	(16,093,934)
Deferred inflows related to changes in the net OPEB liability	(71,619)
Deferred inflows related to changes in the net pension liability	<u>(825,966)</u>
Net position of governmental activities	<u>\$ 11,794,123</u>

See accompanying notes to the basic financial statements.

**CITY OF AUBURN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>General Fund</b>	<b>Transportation</b>	<b>HOME Housing Rehabilitation &amp; First Time Homebuyer</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b><u>REVENUES</u></b>					
Taxes and assessments	\$ 9,678,889	\$ -	\$ -	\$ 154,665	\$ 9,833,554
Licenses and permits	595,753	-	-	149,200	744,953
Fines and forfeitures	130,891	-	-	-	130,891
Use of money and property	349,768	34	31	22,814	372,647
Intergovernmental	690,465	351,232	305,857	1,338,661	2,686,215
Charges for service	222,896	-	-	103,885	326,781
Other revenues	<u>43,225</u>	<u>-</u>	<u>1,550</u>	<u>245,508</u>	<u>290,283</u>
Total Revenues	<u>11,711,887</u>	<u>351,266</u>	<u>307,438</u>	<u>2,014,733</u>	<u>14,385,324</u>
<b><u>EXPENDITURES</u></b>					
Current operations:					
General government	2,275,851	-	-	12,976	2,288,827
Public safety	6,906,325	-	-	220,980	7,127,305
Transportation	1,193,148	72,915	-	882,382	2,148,445
Community development	955,934	-	305,766	103,595	1,365,295
Debt service:					
Principal	285,000	-	-	92,477	377,477
Interest and fiscal charges	204,396	-	-	1,609	206,005
Capital outlay	<u>311,313</u>	<u>646,208</u>	<u>-</u>	<u>395,471</u>	<u>1,352,992</u>
Total Expenditures	<u>12,131,967</u>	<u>719,123</u>	<u>305,766</u>	<u>1,709,490</u>	<u>14,866,346</u>
Excess (deficiency) of revenues over expenditures	<u>(420,080)</u>	<u>(367,857)</u>	<u>1,672</u>	<u>305,243</u>	<u>(481,022)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers in	192,416	338,450	-	-	530,866
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,866)</u>	<u>(200,866)</u>
Total Other Financing Sources (Uses)	<u>192,416</u>	<u>338,450</u>	<u>-</u>	<u>(200,866)</u>	<u>330,000</u>
Net change in fund balances	(227,664)	(29,407)	1,672	104,377	(151,022)
Fund balance (deficit) - July 1, 2017	<u>5,878,004</u>	<u>(87,104)</u>	<u>10,537</u>	<u>1,811,611</u>	<u>7,613,048</u>
Fund balance (deficit) - June 30, 2018	<u>\$ 5,650,340</u>	<u>\$ (116,511)</u>	<u>\$ 12,209</u>	<u>\$ 1,915,988</u>	<u>\$ 7,462,026</u>

See accompanying notes to the basic financial statements.

**CITY OF AUBURN**  
**RECONCILIATION OF THE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities:

Net change in fund balances - total governmental funds	\$ (151,022)
Governmental funds report capital outlays as expenditures while governmental activities report depreciation as expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	957,130
Depreciation expense	(1,731,241)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
Bond principal payments	285,000
Capital lease obligation principal payments	171,068
Receipts of payments and disbursements of funds related to notes and loans receivable are reported as revenues and expenditures, respectively, in governmental funds, but an increase and decrease, respectively, in notes receivable in the Statement of Net Position:	
Loan program receipts	(21,934)
Loans made during the year	295,252
Loan interest	28,590
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Change in accrued compensated absences	86,382
OPEB expense	(102,932)
Change in net pension liability	(1,841,601)
Pension expense related to deferred outflows and inflows of resources	<u>1,014,396</u>
Change in net position of governmental activities	<u>\$ (1,010,912)</u>

See accompanying notes to the basic financial statements.

**CITY OF AUBURN**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2018**

	<b>Business-type Activities</b>		
	<b>Airport</b>	<b>Sewer</b>	<b>Totals</b>
<b>ASSETS</b>			
Current assets:			
Cash and investments (Note 2)	\$ 1,238,384	\$ 8,008,237	\$ 9,246,621
Receivables:			
Accounts	3,589	296,335	299,924
Intergovernmental	123,396	1,619,375	1,742,771
Taxes	1,585	-	1,585
<b>Total Current Assets</b>	<b>1,366,954</b>	<b>9,923,947</b>	<b>11,290,901</b>
Non-current assets:			
Restricted cash and investments	23,050	-	23,050
Capital assets (Note 3):			
Land	2,874,395	-	2,874,395
Construction in progress	4,118,252	11,567,809	15,686,061
Infrastructure	8,773,776	25,874,335	34,648,111
Equipment	238,460	2,283,116	2,521,576
Less: Accumulated depreciation	(5,805,213)	(10,948,656)	(16,753,869)
Total capital assets net	10,199,670	28,776,604	38,976,274
<b>Total Non-Current Assets</b>	<b>10,222,720</b>	<b>28,776,604</b>	<b>38,999,324</b>
<b>Total Assets</b>	<b>11,589,674</b>	<b>38,700,551</b>	<b>50,290,225</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on bond refunding (Note 6)	-	948,567	948,567
Changes in net pension liability (Note 9)	-	380,760	380,760
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>1,329,327</b>	<b>1,329,327</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	27,260	612,257	639,517
Deposits payable	23,050	-	23,050
Accrued compensated absences - current (Note 5)	-	9,812	9,812
Loans payable - current (Note 5)	-	235,194	235,194
Bonds payable - current (Note 5)	-	238,448	238,448
<b>Total Current Liabilities</b>	<b>50,310</b>	<b>1,095,711</b>	<b>1,146,021</b>
Long-term liabilities:			
Accrued compensated absences (Note 5)	-	92,025	92,025
Loans payable (Note 5)	-	9,510,484	9,510,484
Bonds payable (Note 5)	-	6,548,963	6,548,963
Net OPEB liability (Note 10)	-	80,698	80,698
Net pension liability (Note 9)	-	1,294,137	1,294,137
<b>Total Long-term Liabilities</b>	<b>-</b>	<b>17,526,307</b>	<b>17,526,307</b>
<b>Total Liabilities</b>	<b>50,310</b>	<b>18,622,018</b>	<b>18,672,328</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Changes in net OPEB liability (Note 10)	-	5,474	5,474
Changes in net pension liability (Note 9)	-	117,521	117,521
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>122,995</b>	<b>122,995</b>
<b>NET POSITION:</b>			
Net investment in capital assets	10,199,670	13,192,082	23,391,752
Unrestricted	1,339,694	8,092,783	9,432,477
<b>Total Net Position</b>	<b>\$ 11,539,364</b>	<b>\$ 21,284,865</b>	<b>\$ 32,824,229</b>

See accompanying notes to the basic financial statements.

**CITY OF AUBURN**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Business-type Activities</b>		
	<b>Airport</b>	<b>Sewer</b>	<b>Totals</b>
<b><u>OPERATING REVENUES</u></b>			
Charges for services:			
User fees and charges	\$ 115,555	\$ 6,277,218	\$ 6,392,773
Connection fees	-	391,668	391,668
Rents and concessions	574,630	-	574,630
Other revenues	<u>71,733</u>	<u>2,000</u>	<u>73,733</u>
<b>Total Operating Revenue</b>	<u>761,918</u>	<u>6,670,886</u>	<u>7,432,804</u>
<b><u>OPERATING EXPENSES</u></b>			
Salaries and benefits	164,721	844,124	1,008,845
Services and supplies	141,890	2,695,171	2,837,061
Maintenance	67,763	659,660	727,423
Depreciation	<u>430,324</u>	<u>1,180,492</u>	<u>1,610,816</u>
<b>Total Operating Expenses</b>	<u>804,698</u>	<u>5,379,447</u>	<u>6,184,145</u>
<b>Operating (Loss) Income</b>	<u>(42,780)</u>	<u>1,291,439</u>	<u>1,248,659</u>
<b><u>NON-OPERATING REVENUE AND EXPENSES</u></b>			
Taxes	51,249	-	51,249
Intergovernmental revenue	40,000	-	40,000
Interest income	10,735	59,208	69,943
Interest expense	<u>(1,720)</u>	<u>(279,491)</u>	<u>(281,211)</u>
<b>Total Non-Operating Revenues and Expenses</b>	<u>100,264</u>	<u>(220,283)</u>	<u>(120,019)</u>
<b>Income (Loss) Before Transfers</b>	<u>57,484</u>	<u>1,071,156</u>	<u>1,128,640</u>
<b><u>TRANSFERS</u></b>			
Transfers out	<u>-</u>	<u>(330,000)</u>	<u>(330,000)</u>
<b>Change in net position</b>	57,484	741,156	798,640
Total Net Position - July 1, 2017	<u>11,481,880</u>	<u>20,543,709</u>	<u>32,025,589</u>
Total Net Position - June 30, 2018	<u>\$ 11,539,364</u>	<u>\$ 21,284,865</u>	<u>\$ 32,824,229</u>

See accompanying notes to the basic financial statements.

**CITY OF AUBURN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Business-type Activities</b>		
	<b>Airport</b>	<b>Sewer</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 773,357	\$ 6,657,482	\$ 7,430,839
Cash paid to suppliers	(164,721)	(482,390)	(647,111)
Cash paid to employees	(193,295)	(3,477,098)	(3,670,393)
<b>Net Cash Provided by Operating Activities</b>	<u>415,341</u>	<u>2,697,994</u>	<u>3,113,335</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Property taxes	51,318	-	51,318
Intergovernmental	40,000	-	40,000
Transfers to other funds	-	(330,000)	(330,000)
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	<u>91,318</u>	<u>(330,000)</u>	<u>(238,682)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital debt issuance	-	7,601,883	7,601,883
Acquisition and construction of capital assets	(84,864)	(5,314,221)	(5,399,085)
Principal paid on capital debt	(64,444)	(423,471)	(487,915)
Interest paid on capital debt	(3,018)	(279,488)	(282,506)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<u>(152,326)</u>	<u>1,584,703</u>	<u>1,432,377</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	<u>10,735</u>	<u>59,208</u>	<u>69,943</u>
<b>Net Cash Provided by Investing Activities</b>	<u>10,735</u>	<u>59,208</u>	<u>69,943</u>
Net Increase in Cash and Cash Equivalents	365,068	4,011,905	4,376,973
Cash and Cash Equivalents - July 1, 2017	<u>896,366</u>	<u>3,996,332</u>	<u>4,892,698</u>
Cash and Cash Equivalents - June 30, 2018	<u>\$ 1,261,434</u>	<u>\$ 8,008,237</u>	<u>\$ 9,269,671</u>

See accompanying notes to the basic financial statements.

**CITY OF AUBURN**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Business-type Activities</b>		
	<b>Airport</b>	<b>Sewer</b>	<b>Totals</b>
<b>RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating (Loss) Income	\$ (42,780)	\$ 1,291,439	\$ 1,248,659
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:			
Depreciation expense	430,324	1,180,492	1,610,816
Changes in assets and liabilities:			
Decrease (Increase) in accounts receivable	6,014	(13,404)	(7,390)
Decrease in prepaid	-	142,868	142,868
Increase in deferred outflows of resources	-	(182,450)	(182,450)
Increase (Decrease) in accounts payable	16,358	(265,135)	(248,777)
Increase in deposits payable	5,425	-	5,425
Increase in net OPEB liability	-	2,393	2,393
Increase in net pension liability	-	488,568	488,568
Decrease in compensated absences	-	(2,316)	(2,316)
Increase in deferred inflows of resources	-	55,539	55,539
<b>Net Cash Provided by Operating Activities</b>	<b>\$ <u>415,341</u></b>	<b>\$ <u>2,697,994</u></b>	<b>\$ <u>3,113,335</u></b>

See accompanying notes to the basic financial statements.

**CITY OF AUBURN**  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2018

	<b>Private- Purpose Trust Funds</b>	<b>Agency Funds</b>
<b><u>ASSETS</u></b>		
Cash and cash equivalents (Note 2)	\$ 234,888	\$ 238,176
Receivables:		
Accounts	-	8,250
<b>Total Assets</b>	<b>234,888</b>	<b>246,426</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Deferred amount on bond refunding (Note 18)	595,189	-
<b>Total Deferred Outflows of Resources</b>	<b>595,189</b>	<b>-</b>
<b><u>LIABILITIES</u></b>		
Accounts payable	1,250	207,950
Due to City	-	-
Agency obligations	-	38,476
Long term liabilities:		
Due within one year	145,239	-
Due in more than one year	4,099,527	-
<b>Total Liabilities</b>	<b>4,246,016</b>	<b>246,426</b>
<b><u>NET POSITION</u></b>		
Held in trust for private purposes	\$ (3,415,939)	\$ -

See accompanying notes to the basic financial statements.

**CITY OF AUBURN**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Private- Purpose Trust Funds</u>
<b><u>ADDITIONS</u></b>	
Property taxes	\$ 314,737
Interest income	2,040
Other revenues	<u>79,873</u>
Total Additions	<u>396,650</u>
<b><u>DEDUCTIONS</u></b>	
Distribution to participants	53,822
Program expenses for former redevelopment agency	206,726
Amortization	<u>25,546</u>
Total Deductions	<u>286,094</u>
<b>Change in Fiduciary Net Position</b>	110,556
Fiduciary Net Position - July 1, 2017	<u>(3,526,495)</u>
Fiduciary Net Position - June 30, 2018	<u><u>\$ (3,415,939)</u></u>

See accompanying notes to the basic financial statements.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Auburn 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.

The accounting policies of the City of Auburn conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

**A. The Reporting Entity**

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. The City's component unit is as follows:

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 former Auburn Urban Development Authority. The Authority is authorized to assist the City in future financing, 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. As all debt issued by the Auburn Public Financing Authority has previously been paid off or refunded, there was no activity in the current year. Separate financial statements for the City of Auburn Public Financing Authority are not issued.

Discretely Presented Component Units

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

Joint Agencies

The City participates in the following agencies that are not considered component units:

The City is a participant in Northern California Cities Self-Insurance Fund (NCCSIF), the purpose of which is for member 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 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.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

**B. Basis of Presentation**

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America. These statements require that the financial statements described below be presented.

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the activities of the overall City government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are eliminated in the process of consolidation. The City's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in part by fees charged to external parties for goods or services.

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 (a) charges paid by the recipients of goods and services offered by the program, (b) grants and contributions that are restricted to meeting operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

All remaining governmental funds are aggregated and reported as nonmajor funds in a single column, regardless of their fund type.

The funds of the financial reporting entity are described below:

**Governmental Funds**

General Fund - The General Fund is the general operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Project Funds - Capital Project Funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**Proprietary Funds**

Enterprise Funds - Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

**Fiduciary Funds (not included in government-wide statements)**

Agency Funds - Agency Funds are clearing type funds for the collection of taxes or deposits held in trust, on behalf of individuals, private organizations and other governments. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-Purpose Trust Funds - Private-Purpose Trust Funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

**Major Funds**

The City reports the following major governmental funds in the accompanying financial statements:

General Fund - This is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in a separate fund.

Transportation Fund - The Transportation fund is used to account for monies received through the Transportation Development Act (TDA) Tax and Surface Transportation Program (STP) funding.

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.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The City reports the following major proprietary funds in the accompanying financial statements:

Airport Fund - 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.

Sewer Fund - 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.

**C. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and proprietary activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources, and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.
- c. As agency funds report only assets and liabilities, they do not have a measurement focus. However, they use the accrual basis of accounting to recognize receivables and payables. The "economic resources" measurement focus and the accrual basis of accounting is used for trust funds.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and proprietary activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term liabilities and acquisitions under capital leases are reported as other financing sources.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. 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 operations. The principal operating revenues of the enterprise funds are charges for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**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 and Investments**

For purposes of the accompanying Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased including cash with fiscal agent, and their equity in the City's investment pool, to be cash equivalents.

Investment transactions are recorded on the trade date. The fair value of investments is determined annually. Investments in nonparticipating interest-earning investment contracts are reported at cost; short term investments are reported at amortized cost; investments in Local Agency Investment Fund, an external pool, are reported at amortized cost which approximates fair value; and the fair value of all other investments are obtained by using quotations obtained from independent published sources or by the safekeeping institution. The fair value represents the amount the City could reasonably expect to receive for an investment in a current sale between a willing buyer and seller.

Income from pooled investments is allocated to the individual funds based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Income from non-pooled investments is recorded based on the specific investments held by the fund.

**F. Restricted Cash and Investments**

Restricted assets in the governmental funds represent cash and investments held in the General fund for security deposits of \$119,979. Restricted assets in the proprietary funds represent cash and investments held in the Airport fund for tenant deposits of \$23,050.

**G. Accounts and Interest Receivable**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

Major receivable balances for the governmental activities include accounts, interest, taxes, and intergovernmental. Business-type activities receivables consist mainly of user fees and intergovernmental revenues.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables.

**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, 2018, are recorded as prepaid costs under both the accrual and modified accrual basis of accounting. 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 \$2,217,386 in loans receivable as of June 30, 2018.

**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 acquisition 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
Land 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  
JUNE 30, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Property Taxes**

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.

**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.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Pensions**

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

**P. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 - June 30, 3018

**Q. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net 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. The City has two items that qualify for reporting in this category. One item, deferred amount on bond refunding, is reported in the business-type funds. This item is deferred and recognized over the life of the new bond. See note 6 for further information on the advance refunding. The other item relates to the outflows from changes in the net pension liability and is reported on the statement of net position.

In addition to liabilities, the statement of net 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. The government has two types of items which qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item relates to the inflows from changes in the net pension liability and is reported on the statement of net position.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. Equity Classifications**

Government-wide Statements

Net position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the Government-wide level, and are described below:

- a. 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.
- b. 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.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets, net of related debt."

Fund Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable - Amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (1) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the government's highest level of decision-making authority.
- d. Assigned - Amounts that are constrained by the City Council's intent to be used for specific purposes through a resolution, but are neither restricted or committed. The City Council assigns fund balances for specific purposes by resolution adopting the annual budget for the upcoming fiscal year, or by an amending budget resolution during the fiscal year.
- e. Unassigned - Amounts representing the residual classification for the general fund or any other fund with a negative fund balance.

Further detail about the City's fund balance classification is described in Note 12.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**S. General Budget Policies**

The City operates under the general laws of the State of California and annually adopts a budget for its governmental and proprietary funds to be effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by resolution during the fiscal year. The City Manager may authorize transfers from one account to another within the same department. Debt service on bond issues constitutes a legally authorized "non-appropriated budget." Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Encumbrances are considered to be expenditures in the year the commitment is entered into. Budget appropriations lapse at the end of the fiscal year unless encumbered by specific Council approval.

**T. Use of Estimates**

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

**U. Reclassifications**

Certain accounts in prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**V. Implementation of Government Accounting Standards Board Statements**

Effective July 1, 2017, the City implemented the following accounting and financial reporting standards:

Governmental Accounting Standards Board Statement No. 85

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. This Statement seeks to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements, including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (i.e., pensions and other post-employment benefits (OPEB)).

Governmental Accounting Standards Board Statement No. 86

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement establishes standards of accounting and financial reporting for in-substance defeasance transactions in which cash and other monetary assets acquired with only existing resources (i.e., resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the purpose of extinguishing debt. Additionally, this Statement amends accounting and financial reporting requirements for prepaid insurance associated with debt that is extinguished, whether through a legal extinguishment or through an in-substance defeasance, regardless of how the cash and other monetary assets were acquired. Finally, this Statement establishes an additional disclosure requirement related to debt that is defeased in substance, regardless of how the cash and other monetary assets were acquired.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**W. Future Governmental Accounting Standards Board Statements**

These statements are not effective until July 1, 2018 or later. The City has not determined the effects on the financial statements.

Governmental Accounting Standards Board Statement No. 83

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2019.

Governmental Accounting Standards Board Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. Additionally, this Statement describes four fiduciary funds that should be reported, as well as provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this Statement is effective for the City's fiscal year ending June 30, 2020.

Governmental Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement (1) increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract; and (2) establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Additionally, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

Governmental Accounting Standards Board Statement No. 88

In March 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this statement is to clarify which liabilities governments should include in their note disclosures related to debt. GASB is requiring debt borrowings and direct placements to be presented separately because they may expose a government to risks that are different from, or in addition to, risks related to other types of debt. The new standard also requires the disclosure of additional essential debt-related information for all types of debt, including amounts of unused lines of credit and assets pledged as collateral for debt. Also required to be disclosed are terms specified in debt agreements related to: (1) significant events of default with finance-related consequences, (2) significant termination events with finance-related consequences, (3) significant subjective acceleration clauses. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2020.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires interest costs incurred before the end of a construction period to be recorded as an expenditure in the applicable period. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

Governmental Accounting Standards Board Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The purpose of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The new standard clarifies the differences between a majority equity interest reported as an investment and majority equity interest reported as a component unit of the governmental entity. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2020.

**NOTE 2: CASH AND INVESTMENTS**

Cash and investments as of June 30, 2018 were classified in the accompanying financial statements as follows:

	<b>Cash and Investments</b>	<b>Restricted Cash and Investments</b>	<b>Total</b>
Governmental activities	\$ 6,833,867	\$ 119,979	\$ 6,953,846
Business-type activities	9,246,621	23,050	9,269,671
<b>Total government-wide cash and investments</b>	<b>16,080,488</b>	<b>143,029</b>	<b>16,223,517</b>
Fiduciary activities	473,064	-	473,064
<b>Total cash and investments</b>	<b>\$ 16,553,552</b>	<b>\$ 143,029</b>	<b>\$ 16,696,581</b>

Cash and investments were carried at fair value as of June 30, 2018 and consisted of the following:

Cash on hand	\$ 250
Cash in banks	9,658,887
<b>Total cash</b>	<b>9,659,137</b>
Money market mutual funds	14,695
Corporate notes	3,875
Placer County Investment Pool	6,975,333
Local Agency Investment Fund (LAIF)	43,541
<b>Total investments</b>	<b>7,037,444</b>
<b>Total cash and investments</b>	<b>\$ 16,696,581</b>

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Authorized Investments of the City

The table below identifies the investment types that are authorized by the City's investment policy. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
U.S. Treasury obligations	5 years	None	None
U.S. Agency securities (1)	5 years	None	None
City agency bonds	5 years	5%	5%
California state bonds	5 years	5%	5%
Local agency bonds (CA only)	5 years	15%	5%
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	10%
Time deposits, under \$250,000	3 years	30%	10%
Time deposits, over \$250,000	18 months	30%	10%
Repurchase agreements	10 days	30%	N/A
Corporate notes	5 years	30%	15%
Reverse repurchase agreements	30 days	Lesser of \$1 million or 20% of the portfolio base value	N/A
Mutual funds/Money market mutual funds	N/A	15%	5%
Placer County Investment Pool	N/A	25%	None
Local Agency Investment Fund (LAIF)	N/A	None	None

(1) Limited to issues of the Federal Farm Credit Banks (FFCBs), the Federal Home Loan Banks (FHLBs), Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA) and the Student Loan Marketing Association (SLMA).

**CITY OF AUBURN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Investment Valuation

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2018:

<u>Investments</u>	Fair Value Measurements Using			<u>Fair Value</u>
	<u>Level 1 Inputs</u>	<u>Level 2 inputs</u>	<u>Level 3 inputs</u>	
Money market mutual funds	\$ 14,695	\$ -	\$ -	\$ 14,695
Corporate notes	<u>3,875</u>	<u>-</u>	<u>-</u>	<u>3,875</u>
Total investments reported under fair value hierarchy	<u>18,570</u>	<u>-</u>	<u>-</u>	<u>18,570</u>
Placer County Investment Pool	-	-	-	6,975,333
Local Agency Investment Fund (LAIF)	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,541</u>
Total investments	<u>\$ 18,570</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,037,444</u>

Investment in State and County Investment Pools

The City is a voluntary participant in the Placer County Pooled Investment Fund that is governed by the County of Placer which monitors and reviews the management of public funds maintained in the investment pool in accordance with the County investment policy and the California Government Code. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. Investments in the Placer County Pooled Investment Fund are regarded as highly liquid as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Placer's financial statements may be obtained by contacting the County of Placer Auditor-Controller's office at 2970 Richardson Drive, Auburn, CA 95603. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's prorata share of the fair value provided by the pool for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County, which is recorded on an amortized cost basis. The investment of \$6,975,333 is not subject to valuation on a recurring basis.

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's prorata share of the fair value provided by LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized cost basis. The investment of \$43,541 is not subject to valuation on a recurring basis.

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the 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.

**CITY OF AUBURN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Information about the sensitivity of the fair values of the City's investments to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2018:

	Interest Rate	Remaining Maturity			Fair Value	Weighted Average Maturity (years)
		< 12 months	1-5 years	> 5 years		
Money market mutual funds	Variable	\$ 14,695	\$ -	\$ -	\$ 14,695	N/A
Corporate notes	6.63 %	3,875	-	-	3,875	(6.45) (1)
Placer County Investment Pool	Variable	6,975,333	-	-	6,975,333	N/A
Local Agency Investment Fund (LAIF)	Variable	<u>43,541</u>	<u>-</u>	<u>-</u>	<u>43,541</u>	N/A
		<u>\$ 7,037,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,037,444</u>	

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

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City had no investments that were highly sensitive to interest rate fluctuations as of June 30, 2018.

Disclosures Relating to Credit Risk

Generally, 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. Presented below is the minimum rating required by (where applicable) the California Government Code, the investment policy, or debt agreements, and the actual rating as of the fiscal year for each investment type.

	Total	Minimum Legal Rating	Rating as of Fiscal Year End		
			S&P	Moody's	N/A
Money market mutual funds	\$ 14,695	Not rated			Not rated
Corporate notes	3,875	A	WR (1)	WR (1)	
Placer County Investment Pool	6,975,333	Not rated			Not rated
Local Agency Investment Fund (LAIF)	<u>43,541</u>	Not rated			Not rated
	<u>\$ 7,037,444</u>				

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

Concentration of Credit Risk

The investment policy of the City limits the amount that can be invested in any one issuer to the lesser of the amount stipulated by the California Government Code or the limits noted above, with the exception of U.S. Treasury obligations, U.S. Agency securities, and LAIF. As of June 30, 2018, the City held \$6,975,333, or 99% of its investment portfolio, in the Placer County Investment Pool. This exceeds the City's 25% policy limitation.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Allocation of Interest Income Among Funds

Interest income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Interest is allocated monthly based on the ending cash balances of the previous month in each fund receiving interest.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 3: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2018, was as follows:

	<u>Balance at July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2018</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated				
Construction-in-progress	\$ 538,795	\$ 583,677	\$ -	\$ 1,122,472
Total capital assets not being depreciated	<u>538,795</u>	<u>583,677</u>	<u>-</u>	<u>1,122,472</u>
Capital assets being depreciated				
Infrastructure	7,429,849	-	-	7,429,849
Buildings and improvements	5,947,952	-	-	5,947,952
Equipment	6,982,728	373,453	-	7,356,181
Land improvements	<u>15,032,468</u>	<u>-</u>	<u>-</u>	<u>15,032,468</u>
Total capital assets being depreciated	<u>35,392,997</u>	<u>373,453</u>	<u>-</u>	<u>35,766,450</u>
Less accumulated depreciation				
Infrastructure	(2,995,988)	(332,441)	-	(3,328,429)
Buildings and improvements	(2,822,969)	(135,316)	-	(2,958,285)
Equipment	(4,985,884)	(455,446)	-	(5,441,330)
Land improvements	<u>(4,515,141)</u>	<u>(808,038)</u>	<u>-</u>	<u>(5,323,179)</u>
Total accumulated depreciation	<u>(15,319,982)</u>	<u>(1,731,241)</u>	<u>-</u>	<u>(17,051,223)</u>
Total capital assets being depreciated, net	<u>20,073,015</u>	<u>(1,357,788)</u>	<u>-</u>	<u>18,715,227</u>
Governmental activities capital assets, net	<u>\$ 20,611,810</u>	<u>\$ (774,111)</u>	<u>\$ -</u>	<u>\$ 19,837,699</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated				
Land	\$ 2,874,395	\$ -	\$ -	\$ 2,874,395
Construction-in-progress	<u>10,345,688</u>	<u>5,340,373</u>	<u>-</u>	<u>15,686,061</u>
Total capital assets not being depreciated	<u>13,220,083</u>	<u>5,340,373</u>	<u>-</u>	<u>18,560,456</u>
Capital assets being depreciated				
Infrastructure	34,648,111	-	-	34,648,111
Equipment	<u>2,462,867</u>	<u>58,709</u>	<u>-</u>	<u>2,521,576</u>
Total capital assets being depreciated	<u>37,110,978</u>	<u>58,709</u>	<u>-</u>	<u>37,169,687</u>
Less accumulated depreciation				
Infrastructure	(13,397,907)	(1,473,277)	-	(14,871,184)
Equipment	<u>(1,745,146)</u>	<u>(137,539)</u>	<u>-</u>	<u>(1,882,685)</u>
Total accumulated depreciation	<u>(15,143,053)</u>	<u>(1,610,816)</u>	<u>-</u>	<u>(16,753,869)</u>
Total capital assets being depreciated, net	<u>21,967,925</u>	<u>(1,552,107)</u>	<u>-</u>	<u>20,415,818</u>
Business-type capital assets, net	<u>\$ 35,188,008</u>	<u>\$ 3,788,266</u>	<u>\$ -</u>	<u>\$ 38,976,274</u>

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 3: CAPITAL ASSETS (CONTINUED)**

Depreciation was charged to functions based on their usage of the related assets as follows:

Governmental Activities:	
General administration	\$ 168,311
Public safety	287,252
Transportation	659,071
Community development	<u>616,607</u>
Total governmental activities depreciation expense	<u>\$ 1,731,241</u>
Business-type Activities:	
Airport	\$ 430,324
Sewer	<u>1,180,492</u>
Total business-type activities depreciation expense	<u>\$ 1,610,816</u>

**NOTE 4: 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, 2018:

<u>Due From</u>	<u>Due To</u>	<u>Description</u>	<u>Amount</u>
<u>Major Governmental Funds</u>			
General Fund	Transportation	Cover negative cash	\$ 61,474
General Fund	Transit	Cover negative cash	78,702
General Fund	AUSD Park Reserve	Cover negative cash	<u>202,193</u>
<b>Total Due From/Due To</b>			<b>\$ <u>342,369</u></b>

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 4: INTERFUND TRANSACTIONS (CONTINUED)**

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, 2018:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>Non-Major Governmental Funds</u>			
Transit	General Fund	CalPERS pension bond debt service	\$ 23,000
State Law Enforcement Grant	General Fund	SLESF transfer	139,416
Project Fund	Transportation	Budgeted transfer from DIF fund	<u>38,450</u>
		<b>Total Governmental Interfund Transfers</b>	<b>\$ <u>200,866</u></b>
<u>Proprietary Funds</u>			
Sewer	General Fund	CalPERS pension bond debt service	\$ 30,000
Sewer	Transportation	Nevada Street Sidewalk funding agreement	<u>300,000</u>
		<b>Total Proprietary Interfund Transfers</b>	<b>\$ <u>330,000</u></b>

**NOTE 5: LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities transactions related to governmental activities of the City for the year ended June 30, 2018:

<u>Governmental Activities:</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Current Portion</u>
Pension obligation bonds	\$ 3,445,000	\$ -	\$ (285,000)	\$ 3,160,000	\$ 320,000
Capital lease obligations	365,073	-	(171,068)	194,005	66,305
Other liabilities:					
Compensated absences	<u>1,409,151</u>	<u>588,664</u>	<u>(675,046)</u>	<u>1,322,769</u>	<u>453,286</u>
<b>Total Governmental Activities</b>	<b>\$ <u>5,219,224</u></b>	<b>\$ <u>588,664</u></b>	<b>\$ <u>(1,131,114)</u></b>	<b>\$ <u>4,676,774</u></b>	<b>\$ <u>839,591</u></b>

A description of the long-term liabilities related to governmental activities at June 30, 2018 follows:

**A. 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.

**B. Capital Lease Obligations**

Capital lease obligations are generally liquidated by lease payments made by the departments leasing the equipment.

**C. Compensated Absences**

Compensated absences are generally liquidated by the fund where the accrued liability occurred which is primarily the General fund.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 5: LONG-TERM LIABILITIES (CONTINUED)**

Following is a schedule of debt payment requirements of governmental activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities and capital leases which are reported in Note 7.

Governmental Activities

<b>Pension Obligation Bonds</b>		
<b>For the Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 320,000	\$ 187,064
2020	360,000	168,184
2021	400,000	146,944
2022	440,000	123,344
2023	210,000	97,252
2024 - 2028	1,430,000	271,594
Total	\$ 3,160,000	\$ 994,382

The following is a summary of long-term liabilities transactions related to business-type activities of the City for the year ended June 30, 2018.

<b>Business-type Activities</b>	<b>Balance July 1, 2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2018</b>	<b>Current Portion</b>
Loans	\$ 975,996	\$ 9,221,258	\$ (346,677)	\$ 9,850,577	\$ 282,234
Less: Discount	(151,939)	-	47,040	(104,899)	(47,040)
Loans, Net	824,057	9,221,258	(299,637)	9,745,678	235,194
2016 Sewer revenue bonds	6,725,000	-	(220,000)	6,505,000	225,000
Add: Premium	295,859	-	(13,448)	282,411	13,448
2016 Sewer revenue bonds, net	7,020,859	-	(233,448)	6,787,411	238,448
Other liabilities:					
Compensated absences	104,153	15,929	(18,245)	101,837	9,812
<b>Total Business-type Activities</b>	<b>\$ 7,949,069</b>	<b>\$ 9,237,187</b>	<b>\$ (551,330)</b>	<b>\$ 16,634,926</b>	<b>\$ 483,454</b>

A description of the long-term liabilities related to business-type activities at June 30, 2018 is as follows:

**D. Loans**

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.

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.

State Water Resources Control Board loan, issued May 19, 2016 in the amount of \$10,300,150 and payable in annual installments of \$440,728, with an interest rate of 1.7% and maturity on September 13, 2048. Loan proceeds were used to finance construction of the 2016 WWTP secondary treatment improvements project. The City is drawing down the funds as the project progresses. At June 30, 2018, \$9,221,258 of the loan has been drawn down.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 5: LONG-TERM LIABILITIES (CONTINUED)**

**E. 2016 Sewer Revenue Bonds**

Wastewater Revenue Refunding Bonds Series 2016, issued September 1, 2016 in the amount of \$7,005,000 and payable in annual installments of \$280,000 to \$410,000, with an interest rate of 2.00% to 4.00% and maturity on June 1, 2039. The bonds were used to refund the Wastewater Revenue Bonds Series 2009.

Following is a schedule of debt payment requirements of business-type activities to maturity for long-term debt, excluding the State Water Resources Control Board loan since the funds have not been fully drawn down and compensated absences that have indefinite maturities.

Business- Type Activities

<b>Loans</b>		
<b>For the Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 282,234	\$ -
2020	173,543	-
2021	173,541	-
Total	\$ 629,318	\$ -

<b>Sewer Revenue Bonds</b>		
<b>For the Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 225,000	\$ 194,241
2020	235,000	187,491
2021	240,000	180,441
2022	250,000	173,241
2023	255,000	165,741
2024 - 2028	1,395,000	698,656
2029 - 2033	1,625,000	471,621
2034 - 2038	1,870,000	231,530
2039	410,000	12,300
Total	\$ 6,505,000	\$ 2,315,262

**NOTE 6: PRIOR ADVANCE REFUNDING**

The City advance refunded \$7,214,544 of outstanding Wastewater Revenue Bonds Series 2009 by depositing the net proceeds from the issuance of the 2016 Wastewater Revenue Refunding Bonds in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Wastewater Revenue Bonds Series 2009 are considered defeased and the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,038,907. This amount is reported as a deferred outflow of resources and is being amortized over the life of the new debt. Amortization expense for the year ended June 30, 2018 totaled \$45,170. At June 30, 2018, \$948,567 was reported as deferred amount on bond refunding.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 7: 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.

	<b>Stated Interest Rate</b>	<b>Present Value of Remaining Payments</b>
Governmental activities	1.74 - 9.83%	\$ 194,005

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

	<b>Governmental Activities</b>
Cost of equipment	\$ 875,906
Less: accumulated depreciation	(444,159)
Net value	\$ 431,747

As of June 30, 2018, capital lease annual amortization was as follows:

<b>Year Ended June 30,</b>	<b>Governmental Activities</b>
2019	75,123
2020	70,272
2021	53,287
2022	11,906
Total requirements	210,588
Less interest	(16,583)
Present value of remaining payments	\$ 194,005

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 8: RENTAL INCOME FROM LEASES**

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

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2018	\$ 199,024	\$ 669,725
2019	199,024	641,321
2020	199,024	641,321
2021	199,024	641,321
2022	199,023	641,321
2023-2027	995,115	3,203,514
2028-2032	923,555	3,088,040
2033-2037	923,555	2,212,399
2038-2042	814,790	1,777,078
2043-2047	256,722	1,411,498
2048-2052	51,481	920,153
2053-2057	44,355	70,607
2058-2062	<u>44,355</u>	<u>27,021</u>
Total rental income from leases	<u>\$ 5,049,047</u>	<u>\$ 15,945,319</u>

**NOTE 9: PENSION PLAN**

**A. General Information about the Pension Plan**

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Comprehensive Annual Financial Report, which is available online at [www.calpers.ca.gov](http://www.calpers.ca.gov).

The Plan consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the City of Auburn. The City of Auburn's employer rate plans in the miscellaneous risk pool include the Miscellaneous plan (Miscellaneous) and the PEPRA Miscellaneous plan (PEPRA Misc.). The City of Auburn's employer rate plans in the safety risk pool include the Safety Police First Tier plan (1st Tier Police), the Safety Police Second Tier plan (2nd Tier Police), the Safety Fire First Tier plan (1st Tier Fire), the Safety Fire Second Tier plan (2nd Tier Fire), the PEPRA Safety Fire plan (PEPRA Fire) and the PEPRA Safety Police plan (PEPRA Police).

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 9: PENSION PLAN (CONTINUED)**

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

**Employer Rate Plans in the Miscellaneous Risk Pool**

	<u>Miscellaneous</u>	<u>PEPRA Misc.</u>
Hire Date	Prior to 1/1/2013	On or after 1/1/2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52
Monthly benefits, as of % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	6.896%	6.25%
Required employer contribution rates	8.921%	6.533%

**Employer Rate Plans in the Safety Risk Pool**

	<u>1st Tier Police</u>	<u>2nd Tier Police</u>	<u>1st Tier Fire</u>	<u>2nd Tier Fire</u>
Hire Date	7/1/2010	On or after 7/1/2010	On or after 1/1/1990	On or after 7/1/2010
Benefit formula	3.0% @ 50	2.0% @ 50	3.0% @ 50	2.0% @ 50
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	50	50
Monthly benefits, as of % of eligible compensation	3.0%	2.0% to 2.7%	3.0%	2.0% to 2.7%
Required employee contribution rates	8.988%	8.933%	8.988%	8.933%
Required employer contribution rates	19.723%	15.928%	22.694%	19.273%

	<u>PEPRA Fire</u>	<u>PEPRA Police</u>
Hire Date	On or after 1/1/2013	On or after 1/1/2013
Benefit formula	2.7% @ 57	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	50
Monthly benefits, as of % of eligible compensation	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	0.00%	11.50%
Required employer contribution rates	23.49%	11.99%

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS' annual actuarial valuation process. Each employer rate plan's actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan's allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The City of Auburn is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City of Auburn's contributions to the Plan for the year ended June 30, 2018 were \$1,713,575.

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2018, the City reported net pension liability for its proportionate share of the net pension liability of the Plan of \$17,388,071. \$16,093,934 of the liability is reported in governmental activities and \$1,294,137 of the liability is reported in business-type activities.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 9: PENSION PLAN (CONTINUED)**

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

	<u>Miscellaneous Risk Pool</u>	<u>Safety Risk Pool</u>
Proportion at measurement date – June 30, 2016	0.168039%	0.178028%
Proportion at measurement date – June 30, 2017	<u>0.172784%</u>	<u>0.177012%</u>
Change – increase (decrease)	<u>0.004745%</u>	<u>(0.001016)%</u>

For the year ended June 30, 2018, the City recognized pension expense of \$1,183,388. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 115,677	\$ (159,498)
Changes in assumptions	2,740,448	(166,931)
Net differences between projected and actual earnings on plan investments	713,949	-
Adjustment due to differences in proportions	452,109	(4,803)
Difference between actual and required contributions	-	(612,255)
Contributions after the measurement date	<u>1,399,915</u>	<u>-</u>
Total	<u>\$ 5,422,098</u>	<u>\$ (943,487)</u>

Amounts other than contributions subsequent to the measurement date reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Date June 30,</u>	
2018	\$ 735,199
2019	1,685,904
2020	1,014,963
2021	<u>(357,370)</u>
Total	<u>\$ 3,078,696</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 9: PENSION PLAN (CONTINUED)**

Actuarial Assumptions:

Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% net of pension plan investment expenses; includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 CalPERS Experience Study and Review of Actuarial Assumptions report (based on CalPERS demographic data from 1997 to 2011) available on CalPERS website.

Other significant actuarial assumptions used in the June 30, 2016 valuations were based on the results of the actuarial experience study for the period 1997 to 2011.

Changes of Assumptions

In Fiscal Year 2016/17, the financial reporting discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent. Deferred outflows of resources for changes of assumptions presented in the deferred outflows/inflows table above represent the unamortized portion of this assumption change.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods adopted by the Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results can be found on CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all off the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**CITY OF AUBURN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 9: PENSION PLAN (CONTINUED)**

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 <sup>(a)</sup></u>	<u>Real Return Years 11+ <sup>(b)</sup></u>
Global Equity	47.0%	4.90%	5.38%
Fixed Income	19.0%	0.80%	2.27%
Inflation Assets	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	(0.40%)	(.90%)

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

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

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

	<u>1% Decrease (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>1% Increase (8.15%)</u>
Net Pension Liability	\$ 26,433,172	\$ 17,388,071	\$ 9,954,256

Pension Plan Fiduciary Net Position

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

**NOTE 10: OTHER POST EMPLOYMENT BENEFITS (OPEB)**

Description of the Plan

The City of Auburn Retiree Healthcare Plan (the "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, nor does the Plan hold any plan assets.

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 (\$133 per month in 2018) towards the retiree monthly premium for eligible retirees participating in PEMHCA.

**CITY OF AUBURN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2018

**NOTE 10: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Employees Covered

As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	66
Inactive employees currently receiving benefits	<u>17</u>
Total	<u><u>83</u></u>

Contributions

The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. Employees are not required to contribute to the plan. The City is not pre-funding the plan.

Net OPEB Liability

The City's net OPEB liability ("NOL") was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

Discount Rate	3.80%	
Inflation	2.75%	
Salary Increases	2.75% per annum	
Investment Rate of Return	3.80%	
 Mortality Rates:		
Police	2014 CalPERS Mortality for Active Safety Employees	
Fire	2014 CalPERS Mortality for Active Safety Employees	
Miscellaneous	2014 CalPERS Mortality for Active Miscellaneous Employees	
 Pre-Retirement Turnover Rates:		
Police	2009 CalPERS Rates for Sworn Police	
Fire	2009 CalPERS Rates for Sworn Fire Employees	
Miscellaneous	2009 CalPERS Turnover for Miscellaneous Employees	
 Retirement Rates:		
Police	Hired before 7/1/2010: 3% @ 50 retirement rates for police	
	Hired 7/1/2010 - 12/31/2012: 2% @ 50 retirement rates for police	
	Hired after 12/31/2012: 2.7% @ 57 retirement rates for police	
Fire	Hired before 7/1/2010: 3% @ 50 retirement rates for firefighters	
	Hired 7/1/2010 - 12/31/2012: 2% @ 50 retirement rates for firefighters	
	Hired after 12/31/2012: 2.7% @ 57 retirement rates for firefighters	
Miscellaneous	Hired before 12/31/2012: 2% @ 55 retirement rates for miscellaneous employees	
	Hired after 12/31/2012: 2% @ 60 retirement rates for miscellaneous employees adjusted to reflect a minimum age 52 at retirement	
 Healthcare Trend Rate	 4.00% per annum	

**CITY OF AUBURN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2018

**NOTE 10: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Discount Rate

The discount rate used to measure the total OPEB liability was 3.80% based on an assumption that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years.

Changes in the OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability/(Asset) (c) = (a) - (b)</b>
Balance at June 30, 2017	\$ 1,604,849	\$ -	\$ 1,604,849
Service cost	85,034	-	85,034
Interest in TOL	62,063	-	62,063
Employer contributions	-	28,267	(28,267)
Assumption changes	(85,124)	-	(85,124)
Benefit payments	<u>(28,267)</u>	<u>(28,267)</u>	<u>-</u>
Net change during 2016-17	<u>33,706</u>	<u>-</u>	<u>33,706</u>
Balance at June 30, 2018	<u>\$ 1,638,555</u>	<u>\$ -</u>	<u>\$ 1,638,555</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following represents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2018:

	<b>1% Decrease (2.80%)</b>	<b>Current Discount Rate (3.80%)</b>	<b>1% Increase (4.80%)</b>
Net OPEB Liability	\$ <u>1,937,653</u>	\$ <u>1,638,555</u>	\$ <u>1,394,713</u>

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following represents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2018:

	<b>1% Decrease (3.00%)</b>	<b>Current Healthcare Cost Trend Rate (4.00%)</b>	<b>1% Increase (5.00%)</b>
Net OPEB Liability	\$ <u>1,390,440</u>	\$ <u>1,638,555</u>	\$ <u>1,938,053</u>

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changed in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 10: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

The recognition period differs depending on the source of the gain or loss:

All other amounts Expected average remaining service lifetime (EARSL)  
(10.6 years at June 30, 2018)

OPEB Expense

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of \$139,066. As of the fiscal year ended June 30, 2018, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ <u>          -</u>	\$ <u>      77,093</u>
Total	\$ <u>          -</u>	\$ <u>      77,093</u>

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

Fiscal Year Ended June 30:	Deferred Outflow/(Inflows) of Resources
2019	\$ 8,031
2020	8,031
2021	8,031
2022	8,031
2023	8,031
Thereafter	36,938

**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 \$2,118,181 of restricted net position, of which \$1,096,525 is restricted by enabling legislation.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 11: NET POSITION (CONTINUED)**

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 are available. It is considered that restricted resources are used first, followed by the unrestricted resources.

**NOTE 12: FUND BALANCE**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Non-Spendable: Amounts that cannot be spent because they are either (a) not in spendable form (not expected to be converted to cash) or (b) legally or contractually required to be maintained intact. The City has classified prepaid items as nonspendable since these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: Amounts subject to externally enforceable legal restrictions or constrained for a specific purpose by external parties, constitutional provision, or enabling legislation. This fund balance type is essentially the same definition as restricted net position under GASB Statement No. 34.

Committed: Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action (resolution) of the City Council. Committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (legislation, resolution, ordinance) it employed to previously commit those amounts. Action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period.

Assigned: Amounts that are not restricted by the funding agency but are for specific purposes and assigned by City Council for that purpose. City Council's action in creating the fund is to ensure that the funds are used for their intended purpose. That purpose is not always planned for the current fiscal year as it may take several years to build up a sufficient fund balance to be able to implement the stated purpose. This classification also represents all remaining amounts (except negative balances) reported in governmental funds, other than the general fund, that are not classified as non-spendable, restricted, or committed.

Unassigned: Residual amounts in the general fund, not classified as non-spendable, restricted, committed, or assigned. For other governmental fund types, unassigned is only used when a deficit or negative fund balance occurs.

When a government fund 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 are 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.

Pursuant to City Council Resolution No. 15-25 adopted March 9, 2015, a formal fund balance policy established procedures for reporting fund balance classifications and established a hierarchy for fund balance expenditures. As part of this policy, the City maintains a General Fund commitment for contingencies in the amount of \$2,700,000 adopted with each budget. This committed component of fund balance 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. Upon expenditures from this fund balance, the City Council may approve additions to replenish the balance.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 12: FUND BALANCE (CONTINUED)**

As of June 30, 2018, fund balances for all major and nonmajor governmental funds were comprised of the following:

	<u>General Fund</u>	<u>Transportation</u>	<u>HOME Housing Rehabilitation &amp; First Time Homebuyer</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable					
Prepaid costs	\$ 266,528	\$ -	\$ -	\$ -	\$ 266,528
Total Nonspendable	<u>266,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,528</u>
Restricted for:					
Public safety - police protection	-	-	-	30,954	30,954
Street maintenance & construction	-	-	-	63,299	63,299
Solid waste management	-	-	-	298,949	298,949
Fire protection services	-	-	-	237,758	237,758
Community development	-	-	12,209	390,696	402,905
Capital projects	-	-	-	1,096,525	1,096,525
Total Restricted	<u>-</u>	<u>-</u>	<u>12,209</u>	<u>2,118,181</u>	<u>2,130,390</u>
Committed to:					
Economic uncertainty	2,635,012	-	-	-	2,635,012
Total Committed	<u>2,635,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,635,012</u>
Unassigned	2,748,800	(116,511)	-	(202,193)	2,430,096
Total Fund Balance	<u>\$ 5,650,340</u>	<u>\$ (116,511)</u>	<u>\$ 12,209</u>	<u>\$ 1,915,988</u>	<u>\$ 7,462,026</u>

**Fund Balance Deficits**

As of June 30, 2018, the following funds had a fund balance deficit:

<u>Fund</u>	<u>Deficit</u>
Transportation	\$ 116,511
Auburn School Park Preserve	202,193

These deficits were a result of expenditures incurred in advance of receipt of revenue and will be eliminated through future revenues.

**NOTE 13: RISK MANAGEMENT**

The City manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pools described below and by retaining certain risks.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 13: RISK MANAGEMENT (CONTINUED)**

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California which exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the member's responsibility.

Risk Coverage

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 of the loss can be reasonably estimated.

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  
 JUNE 30, 2018

**NOTE 13: RISK MANAGEMENT (CONTINUED)**

The participants as of June 30, 2018 were as follows:

- Anderson
- Auburn
- Colusa
- Corning
- Dixon
- Elk Grove
- Folsom
- Galt
- Gridley
- Ione
- Jackson
- Lincoln
- Marysville
- Nevada City
- Oroville
- Paradise
- Placerville
- Red Bluff
- Rio Vista
- Rocklin
- Willows
- Yuba City

The City's equity investment in the NCCSIF of \$252,191 is recorded in the General fund as Prepaid Insurance. The net change in equity is shown as an income or expenditure item in the General fund.

**NOTE 14: EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following funds incurred expenditures and transfers in excess of appropriations in the following amounts for the year ended June 30, 2018:

Fund	Excess Expenditures and Transfers
Property Seizures	43,949
Small Business Loans	7,831
State Law Enforcement Grant	60,000
Facilities and Equipment	12,587

The excess expenditures were covered by available fund balance in the funds.

**NOTE 15: CONTINGENT LIABILITIES AND COMMITMENTS**

At June 30, 2018, the City had construction contracts outstanding of approximately \$1,682,021 for the Sewer Oxidation Ditch project, airport projects, road overlay projects and the city hall storm damage/windows project.

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.

**NOTE 16: TAX ABATEMENTS**

The City entered into a sales tax abatement agreement with Nella Oil Company, Flyers LLC on April 18, 2005 pursuant to City Council Resolution No. 05-45. The sales tax abatement serves a public purpose through expanding economic opportunities for businesses in the City, expanding the City's employment base, and generating sales tax revenues to the City that the City can utilize to fund governmental services such as police, fire, street maintenance, and other programs.

Consistent with the terms of the tax abatement resolution, forty-six percent (46%) of sales tax revenues received by the City from Nella Oil Company, Flyers LLC is reimbursed (abated) back to said business owner.

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 16: TAX ABATEMENTS (CONTINUED)**

<u>Type of Business</u>	<u>Purpose</u>	<u>Percent Abated</u>
Gasoline/Petroleum	Creation of Economic Opportunities and Provision of Government Services	46%

**NOTE 17: 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 fund.

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2017</u>	<u>Additions/ Adjustments</u>	<u>Retirements</u>	<u>Balance June 30, 2018</u>	<u>Amounts Due Within One Year</u>
Tax allocation bonds	\$ 4,275,000	\$ -	\$ (135,000)	\$ 4,140,000	\$ 140,000
Plus: Discounts	<u>110,005</u>	<u>-</u>	<u>(5,239)</u>	<u>104,766</u>	<u>5,239</u>
Tax allocation bonds, net	<u>4,385,005</u>	<u>-</u>	<u>(140,239)</u>	<u>4,244,766</u>	<u>145,239</u>
Total	<u>\$ 4,385,005</u>	<u>\$ -</u>	<u>\$ (140,239)</u>	<u>\$ 4,244,766</u>	<u>\$ 145,239</u>

Individual issues of debt payable outstanding at June 30, 2018, are as follows:

Tax Allocation Bonds:

Auburn Urban Development Authority 2015 Tax Allocation Refunding Bonds, issued October 1, 2015 in the amount of \$4,475,000 and payable in annual installments of \$70,000 to \$235,000, with an interest rate of 2.75% to 5.00% and maturity on June 1, 2038. The bonds were used to refund the 2008 Tax Allocation Revenue Bonds.

\$ 4,140,000

Total Tax Allocation Bonds

\$ 4,140,000

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

<u>Year Ended June 30,</u>	<u>Tax Allocation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 140,000	\$ 154,756	\$ 294,756
2020	145,000	149,156	294,156
2021	155,000	143,356	298,356
2022	160,000	137,156	297,156
2023	170,000	130,756	300,756
2024 - 2028	945,000	541,456	1,486,456
2029 - 2033	1,110,000	375,694	1,485,694
2034 - 2038	<u>1,315,000</u>	<u>161,600</u>	<u>1,476,600</u>
Total	<u>\$ 4,140,000</u>	<u>\$ 1,793,930</u>	<u>\$ 5,933,930</u>

**CITY OF AUBURN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 18: PRIOR ADVANCE REFUNDING**

In fiscal year 2016, the Successor Agency to the Auburn Urban Development Authority defeased certain tax allocation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the statement of financial position. The reacquisition price exceeded the net carrying amount of the old debt by \$708,070. This amount is reported as a deferred outflow of resources and is being amortized over the life of the new debt. On June 30, 2018, \$595,189 in deferred outflows of resources was reported.

**NOTE 19: SUBSEQUENT EVENTS**

Management has evaluated events subsequent to June 30, 2018 through February 19, 2019, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

## REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF AUBURN  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
As of June 30, 2018**

**Last 10 Years\***

	<b>Measurement Period</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Proportion of the net pension liability	0.16656 %	0.16851 %	0.17402 %	0.17533 %
Proportionate share of the net pension liability	\$ 10,364,029	\$ 11,566,338	\$ 15,057,902	\$ 17,388,071
Covered employee payroll	\$ 5,246,758	\$ 5,395,469	\$ 4,719,132	\$ 5,285,037
Proportionate share of the net pension liability as a percentage of covered employee payroll	197.53 %	214.37 %	319.08 %	329.01 %
Plan fiduciary net position as a percentage of the total pension liability	74.06 %	78.40 %	79.82 %	73.29 %

**Notes to Schedule:**

Changes in assumptions – In 2017, amounts reported reflect an adjustment of the discount rate from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

\* Schedule is intended to show information for ten years. Fiscal year 2015 was the first year of implementation, therefore only four years are shown. Additional years' information will be displayed as it becomes available.

**CITY OF AUBURN  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS  
Prepared for the City's Miscellaneous and Safety Cost Sharing Defined Benefit Pension Plan  
As of June 30, 2018**

**Last 10 Years\***

	<b>Fiscal Year-End</b>			
	<b>2015**</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Miscellaneous Plan</b>				
Contractually required contribution (actuarially determined)	\$ 1,009,017	\$ 1,172,934	\$ 1,314,609	\$ 1,399,915
Contributions in relation to the actuarially determined contributions	<u>(1,009,017)</u>	<u>(1,172,934)</u>	<u>(1,314,609)</u>	<u>(1,399,915)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 5,395,469	\$ 4,719,132	\$ 4,887,126	\$ 5,401,485
Contributions as a percentage of covered employee payroll	18.70 %	24.85 %	26.90 %	25.92 %

\* Schedule is intended to show information for ten years. Fiscal year 2015 was the first year of implementation, therefore only four years are shown. Additional years' information will be displayed as it becomes available.

\*\*The June 30, 2015 balances have been restated to agree to the actual contributions per the City records.

**CITY OF AUBURN  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS  
For the Measurement Periods Ended June 30**

Last 10 Years\*

	<b>2017</b>	<b>2018</b>
<b>Total OPEB liability</b>		
Service cost	\$ 82,759	\$ 85,034
Interest	53,292	62,063
Changes in assumptions	-	(85,124)
Benefit payments	(27,180)	(28,267)
Net change in total OPEB liability	108,871	33,706
Total OPEB liability, beginning	1,495,978	1,604,849
Total OPEB liability, ending (a)	\$ 1,604,849	\$ 1,638,555
 <b>Plan fiduciary net position</b>		
Contributions - employer	\$ 27,180	\$ 28,267
Net investment income	-	-
Benefit payments	(27,180)	(28,267)
Administrative expenses	-	-
Net change in plan fiduciary net position	-	-
Plan fiduciary net position, beginning	-	-
Plan fiduciary net position, ending (b)	\$ -	\$ -
City's net OPEB liability, ending (a) - (b)	\$ 1,604,849	\$ 1,638,555
Plan fiduciary net position as a percentage of the total OPEB liability	-	-
Covered-employee payroll	\$ 5,658,701	\$ 5,697,062
City's net OPEB liability as a percentage of covered-employee payroll	28 %	29 %

**Notes to Schedule:**

Changes in assumptions – The discount rate was changed from 3.50 percent to 3.80 percent for the measurement period ended June 30, 2018.

\* Schedule is intended to show information for ten years. Fiscal year 2017 was the first year of implementation, therefore only two years are shown. Additional years' information will be displayed as it becomes available.

**CITY OF AUBURN**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 9,863,335	\$ 9,601,732	\$ 9,678,889	\$ 77,157
Licenses and permits	440,615	512,065	595,753	83,688
Fines and forfeitures	47,600	103,600	130,891	27,291
Use of money and property	308,800	333,800	349,768	15,968
Intergovernmental	684,094	687,783	690,465	2,682
Charges for service	414,300	218,200	222,896	4,696
Other revenues	<u>40,000</u>	<u>30,000</u>	<u>43,225</u>	<u>13,225</u>
Total Revenues	<u>11,798,744</u>	<u>11,487,180</u>	<u>11,711,887</u>	<u>224,707</u>
<b><u>EXPENDITURES</u></b>				
Current operations:				
General Government:				
City council	91,521	81,521	67,795	13,726
City manager	225,952	215,952	202,828	13,124
City clerk	101,831	99,831	107,229	(7,398)
Administrative services	520,815	546,800	554,061	(7,261)
City attorney	230,000	320,000	382,990	(62,990)
Information technology	165,500	201,000	214,712	(13,712)
Insurance programs	595,925	523,624	665,115	(141,491)
Support for community programs	<u>143,005</u>	<u>65,000</u>	<u>81,121</u>	<u>(16,121)</u>
Total General Government	<u>2,074,549</u>	<u>2,053,728</u>	<u>2,275,851</u>	<u>(222,123)</u>
Public Safety:				
Police	4,164,376	4,297,306	4,482,132	(184,826)
Fire	<u>2,220,251</u>	<u>2,455,001</u>	<u>2,424,193</u>	<u>30,808</u>
Total Public Safety	<u>6,384,627</u>	<u>6,752,307</u>	<u>6,906,325</u>	<u>(154,018)</u>
Transportation:				
Administration and engineering	206,080	273,683	317,897	(44,214)
Construction and maintenance	599,442	591,823	577,457	14,366
Yard and shop	257,405	256,543	263,861	(7,318)
Stormwater management	<u>34,500</u>	<u>45,200</u>	<u>33,933</u>	<u>11,267</u>
Total Transportation	<u>1,097,427</u>	<u>1,167,249</u>	<u>1,193,148</u>	<u>(25,899)</u>
Community Development:				
Economic development	164,880	150,621	157,173	(6,552)
Planning	295,034	274,549	339,778	(65,229)
Building inspections	200,136	182,800	157,361	25,439
Building maintenance	<u>239,100</u>	<u>265,000</u>	<u>301,622</u>	<u>(36,622)</u>
Total Community Development	<u>899,150</u>	<u>872,970</u>	<u>955,934</u>	<u>(82,964)</u>

**CITY OF AUBURN**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
Nondepartmental:				
Debt service:				
Principal	473,924	489,396	285,000	204,396
Interest and fiscal charges	-	-	204,396	(204,396)
Capital outlay	<u>1,125,850</u>	<u>981,900</u>	<u>311,313</u>	<u>670,587</u>
Total Nondepartmental	<u>1,599,774</u>	<u>1,471,296</u>	<u>800,709</u>	<u>670,587</u>
Total Expenditures	<u>12,055,527</u>	<u>12,317,550</u>	<u>12,131,967</u>	<u>185,583</u>
Excess (deficiency) of revenues over expenditures	<u>(256,783)</u>	<u>(830,370)</u>	<u>(420,080)</u>	<u>410,290</u>
 <b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	<u>153,000</u>	<u>183,000</u>	<u>192,416</u>	<u>9,416</u>
Total other financing sources (uses)	<u>153,000</u>	<u>183,000</u>	<u>192,416</u>	<u>9,416</u>
Net change in fund balance	<u>\$ (103,783)</u>	<u>\$ (647,370)</u>	(227,664)	<u>\$ 419,706</u>
Fund balance - July 1, 2017			<u>5,878,004</u>	
Fund balance - June 30, 2018			<u>\$ 5,650,340</u>	

**CITY OF AUBURN**  
**TRANSPORTATION - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Use of money and property	\$ -	\$ (50)	\$ 34	\$ 84
Intergovernmental	<u>3,196,757</u>	<u>815,199</u>	<u>351,232</u>	<u>(463,967)</u>
Total Revenues	<u>3,196,757</u>	<u>815,149</u>	<u>351,266</u>	<u>(463,883)</u>
<b><u>EXPENDITURES</u></b>				
Current operations:				
Transportation	78,000	67,000	72,915	(5,915)
Capital outlay	<u>4,034,757</u>	<u>1,492,100</u>	<u>646,208</u>	<u>845,892</u>
Total Expenditures	<u>4,112,757</u>	<u>1,559,100</u>	<u>719,123</u>	<u>839,977</u>
Excess (deficiency) of revenues over expenditures	<u>(916,000)</u>	<u>(743,951)</u>	<u>(367,857)</u>	<u>376,094</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	<u>(925,000)</u>	<u>(836,033)</u>	<u>338,450</u>	<u>1,174,483</u>
Total other financing sources (uses)	<u>(925,000)</u>	<u>(836,033)</u>	<u>338,450</u>	<u>1,174,483</u>
Net change in fund balance	<u>\$ (1,841,000)</u>	<u>\$ (743,951)</u>	(29,407)	<u>\$ 714,544</u>
Fund balance (deficit) - July 1, 2017			<u>(87,104)</u>	
Fund balance (deficit) - June 30, 2018			<u>\$ (116,511)</u>	

**CITY OF AUBURN**  
HOME HOUSING REHABILITATION & FIRST TIME HOMEBUYER - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Use of money and property	\$ 50	\$ 50	\$ 31	\$ (19)
Intergovernmental	-	305,857	305,857	-
Other revenues	<u>1,500</u>	<u>1,550</u>	<u>1,550</u>	<u>-</u>
Total Revenues	<u>1,550</u>	<u>307,457</u>	<u>307,438</u>	<u>(19)</u>
<b><u>EXPENDITURES</u></b>				
Current operations:				
Community development	<u>3,000</u>	<u>307,400</u>	<u>305,766</u>	<u>1,634</u>
Total Expenditures	<u>3,000</u>	<u>307,400</u>	<u>305,766</u>	<u>1,634</u>
Net change in fund balance	<u>\$ (1,450)</u>	<u>\$ 57</u>	1,672	<u>\$ 1,615</u>
Fund balance (deficit) - July 1, 2017			<u>10,537</u>	
Fund balance (deficit) - June 30, 2018			<u>\$ 12,209</u>	

**CITY OF AUBURN**  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION ON  
 BUDGETARY ACCOUNTING AND CONTROL  
 FOR THE YEAR ENDED JUNE 30, 2018

**NOTE A: BUDGETARY BASIS OF ACCOUNTING**

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue funds, and Capital Project 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 submit 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, 2018, the following nonmajor special revenue and capital project funds were considered established for a specific purpose and did not have annual appropriated budgets:

Maidu Fire Station  
 Auburn School Park Preserve  
 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.

**NOTE B: 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 clerk	\$ 7,398
	Administrative services	7,261
	City attorney	62,990
	Information technology	13,712
	Insurance programs	141,491
	Support for community programs	16,121
	Police	184,826
	Transportation	25,899
	Community development	82,964

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS  
AND OTHER SUPPLEMENTARY INFORMATION**



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## NON-MAJOR GOVERNMENTAL FUNDS

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The following funds are reported in total on the Governmental Fund Financial Statements under the column Other Governmental Funds.

### **SPECIAL REVENUE FUNDS**

#### 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

The Property Seizures 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

The Maidu Fire Station 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.

#### 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 fund is 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.

#### State Law Enforcement 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 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 Grants Fund

The Miscellaneous Grants fund accounts 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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## NON-MAJOR GOVERNMENTAL FUNDS

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### **CAPITAL PROJECTS FUNDS**

#### 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).

#### 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.

**CITY OF AUBURN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2018**

	<b>Special Revenue Funds</b>		
	<b>State Gas Tax</b>	<b>Transit</b>	<b>Property Seizures</b>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 85,741	\$ -	\$ 34,761
Accounts receivables	12,258	98,369	-
Loans receivables	-	-	-
	-	-	-
Total Assets	\$ 97,999	\$ 98,369	\$ 34,761
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 44,800	\$ 9,567	\$ 3,807
Due to other funds	-	78,702	-
	-	78,702	-
Total Liabilities	44,800	88,269	3,807
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable revenues	-	-	-
	-	-	-
Total Deferred Inflows of Resources	-	-	-
<b><u>FUND BALANCES (DEFICITS):</u></b>			
Restricted for:			
Public safety - police protection	-	-	30,954
Street maintenance & construction	53,199	10,100	-
Solid waste management	-	-	-
Fire protection services	-	-	-
Community development	-	-	-
Capital projects	-	-	-
Unassigned	-	-	-
	-	-	-
Total fund balances (deficits)	53,199	10,100	30,954
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 97,999	\$ 98,369	\$ 34,761

**CITY OF AUBURN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (CONTINUED)**  
**JUNE 30, 2018**

	<b>Special Revenue Funds</b>		
	<b>Maidu Fire Station</b>	<b>Small Business Loans</b>	<b>Solid Waste Management</b>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 37,875	\$ 388,570	\$ 265,129
Accounts receivables	-	2,126	37,994
Loans receivables	-	117,183	-
Total Assets	\$ 37,875	\$ 507,879	\$ 303,123
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ -	\$ -	\$ 4,174
Due to other funds	-	-	-
Total Liabilities	-	-	4,174
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable revenues	-	117,183	-
Total Deferred Inflows of Resources	-	117,183	-
<b><u>FUND BALANCES (DEFICITS):</u></b>			
Restricted for:			
Public safety - police protection	-	-	-
Street maintenance & construction	-	-	-
Solid waste management	-	-	298,949
Fire protection services	37,875	-	-
Community development	-	390,696	-
Capital projects	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	37,875	390,696	298,949
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 37,875	\$ 507,879	\$ 303,123

**CITY OF AUBURN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (CONTINUED)**  
**JUNE 30, 2018**

	<b>Special Revenue Funds</b>		
	<b>State Law Enforcement Grant</b>	<b>Facilities and Equipment</b>	<b>Miscellaneous Grants</b>
<b><u>ASSETS</u></b>			
Cash and investments	\$ -	\$ 402,207	\$ 199,883
Accounts receivables	-	-	-
Loans receivables	-	-	-
	-	-	-
Total Assets	\$ -	\$ 402,207	\$ 199,883
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
	-	-	-
Total Liabilities	-	-	-
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable revenues	-	-	-
	-	-	-
Total Deferred Inflows of Resources	-	-	-
<b><u>FUND BALANCES (DEFICITS):</u></b>			
Restricted for:			
Public safety - police protection	-	-	-
Street maintenance & construction	-	-	-
Solid waste management	-	-	-
Fire protection services	-	-	199,883
Community development	-	-	-
Capital projects	-	402,207	-
Unassigned	-	-	-
	-	-	-
Total fund balances (deficits)	-	402,207	199,883
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ -	\$ 402,207	\$ 199,883

**CITY OF AUBURN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (CONTINUED)**  
**JUNE 30, 2018**

	<b>Capital Projects Funds</b>		<b>Total</b>
	<b>Auburn School Park Preserve</b>	<b>Project Fund</b>	<b>Non-major Governmental Funds</b>
<b><u>ASSETS</u></b>			
Cash and investments	\$ -	\$ 703,663	\$ 2,117,829
Accounts receivables	-	-	150,747
Loans receivables	-	-	117,183
	-	-	-
Total Assets	\$ -	\$ 703,663	\$ 2,385,759
 <b><u>LIABILITIES</u></b>			
Accounts payable	\$ -	\$ 9,345	\$ 71,693
Due to other funds	202,193	-	280,895
	202,193	9,345	352,588
Total Liabilities	202,193	9,345	352,588
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable revenues	-	-	117,183
	-	-	-
Total Deferred Inflows of Resources	-	-	117,183
 <b><u>FUND BALANCES (DEFICITS):</u></b>			
Restricted for:			
Public safety - police protection	-	-	30,954
Street maintenance & construction	-	-	63,299
Solid waste management	-	-	298,949
Fire protection services	-	-	237,758
Community development	-	-	390,696
Capital projects	-	694,318	1,096,525
Unassigned	(202,193)	-	(202,193)
	(202,193)	694,318	1,915,988
Total fund balances (deficits)	(202,193)	694,318	1,915,988
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ -	\$ 703,663	\$ 2,385,759

**CITY OF AUBURN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Special Revenue Funds</b>		
	<b>State Gas Tax</b>	<b>Transit</b>	<b>Property Seizures</b>
<b><u>REVENUES</u></b>			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Use of money and property	229	-	-
Intergovernmental	370,738	828,507	-
Charges for services	-	21,906	-
Other revenues	-	-	204,935
	<u>370,967</u>	<u>850,413</u>	<u>204,935</u>
Total Revenues	<u>370,967</u>	<u>850,413</u>	<u>204,935</u>
<b><u>EXPENDITURES</u></b>			
Current operations:			
General government	-	389	-
Public safety	-	-	31,537
Transportation	295,892	582,900	-
Community development	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	1,154	177,051	164,512
	<u>297,046</u>	<u>760,340</u>	<u>196,049</u>
Total Expenditures	<u>297,046</u>	<u>760,340</u>	<u>196,049</u>
Excess (deficiency) of revenues over expenditures	<u>73,921</u>	<u>90,073</u>	<u>8,886</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers out	-	(23,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(23,000)</u>	<u>-</u>
Net change in fund balance	73,921	67,073	8,886
Fund balance (deficit) - July 1, 2017	(20,722)	(56,973)	22,068
Fund balance (deficit) - June 30, 2018	<u>\$ 53,199</u>	<u>\$ 10,100</u>	<u>\$ 30,954</u>

**CITY OF AUBURN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Special Revenue Funds</b>		
	<b>Maidu Fire Station</b>	<b>Small Business Loans</b>	<b>Solid Waste Management</b>
<b><u>REVENUES</u></b>			
Taxes and assessments	\$ -	\$ -	\$ 154,665
Licenses and permits	-	-	-
Use of money and property	-	114	1,753
Intergovernmental	-	-	-
Charges for services	-	-	-
Other revenues	-	25,514	-
	-	25,514	-
Total Revenues	-	25,628	156,418
<b><u>EXPENDITURES</u></b>			
Current operations:			
General government	-	-	-
Public safety	-	-	188,759
Transportation	-	-	-
Community development	-	1,231	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	-	-
	-	-	-
Total Expenditures	-	1,231	188,759
Excess (deficiency) of revenues over expenditures	-	24,397	(32,341)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net change in fund balance	-	24,397	(32,341)
Fund balance (deficit) - July 1, 2017	37,875	366,299	331,290
Fund balance (deficit) - June 30, 2018	\$ 37,875	\$ 390,696	\$ 298,949

**CITY OF AUBURN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Special Revenue Funds</b>		
	<b>State Law Enforcement Grant</b>	<b>Facilities and Equipment</b>	<b>Miscellaneous Grants</b>
<b><u>REVENUES</u></b>			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses and permits	-	149,200	-
Use of money and property	-	3,296	-
Intergovernmental	139,416	-	-
Charges for services	-	-	60,487
Other revenues	-	11,812	3,247
	-	11,812	3,247
Total Revenues	139,416	164,308	63,734
<b><u>EXPENDITURES</u></b>			
Current operations:			
General government	-	12,587	-
Public safety	-	-	684
Transportation	-	-	3,590
Community development	-	-	-
Debt service:			
Principal	-	-	92,477
Interest and fiscal charges	-	-	1,609
Capital outlay	-	52,754	-
	-	52,754	-
Total Expenditures	-	65,341	98,360
Excess (deficiency) of revenues over expenditures	139,416	98,967	(34,626)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers out	(139,416)	-	-
Total Other Financing Sources (Uses)	(139,416)	-	-
Net change in fund balance	-	98,967	(34,626)
Fund balance (deficit) - July 1, 2017	-	303,240	234,509
Fund balance (deficit) - June 30, 2018	\$ -	\$ 402,207	\$ 199,883

**CITY OF AUBURN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Capital Projects Funds</b>		<b>Total Non-major Governmental Funds</b>
	<b>Auburn School Park Preserve</b>	<b>Project Fund</b>	
<b><u>REVENUES</u></b>			
Taxes and assessments	\$ -	\$ -	\$ 154,665
Licenses and permits	-	-	149,200
Use of money and property	10,000	7,422	22,814
Intergovernmental	-	-	1,338,661
Charges for services	-	21,492	103,885
Other revenues	-	-	245,508
	<u>10,000</u>	<u>28,914</u>	<u>2,014,733</u>
Total Revenues			
<b><u>EXPENDITURES</u></b>			
Current operations:			
General government	-	-	12,976
Public safety	-	-	220,980
Transportation	-	-	882,382
Community development	-	102,364	103,595
Debt service:			
Principal	-	-	92,477
Interest and fiscal charges	-	-	1,609
Capital outlay	-	-	395,471
	<u>-</u>	<u>102,364</u>	<u>1,709,490</u>
Total Expenditures			
Excess (deficiency) of revenues over expenditures	<u>10,000</u>	<u>(73,450)</u>	<u>305,243</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers out	-	(38,450)	(200,866)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(38,450)</u>	<u>(200,866)</u>
Net change in fund balance	10,000	(111,900)	104,377
Fund balance (deficit) - July 1, 2017	<u>(212,193)</u>	<u>806,218</u>	<u>1,811,611</u>
Fund balance (deficit) - June 30, 2018	<u>\$ (202,193)</u>	<u>\$ 694,318</u>	<u>\$ 1,915,988</u>

**CITY OF AUBURN**  
**STATE GAS TAX - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Use of money and property	\$ 100	\$ -	\$ 229	\$ 229
Intergovernmental	312,393	400,454	370,738	(29,716)
Other revenues	<u>95,596</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>408,089</u>	<u>400,454</u>	<u>370,967</u>	<u>(29,487)</u>
<b><u>EXPENDITURES</u></b>				
Current operations:				
Transportation	358,089	277,020	295,892	(18,872)
Capital outlay	<u>50,000</u>	<u>97,000</u>	<u>1,154</u>	<u>95,846</u>
Total Expenditures	<u>408,089</u>	<u>374,020</u>	<u>297,046</u>	<u>76,974</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 26,434</u>	73,921	<u>\$ 47,487</u>
Fund balance (deficit) - July 1, 2017			<u>(20,722)</u>	
Fund balance (deficit) - June 30, 2018			<u>\$ 53,199</u>	

**CITY OF AUBURN**  
**TRANSIT - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 616,877	\$ 798,882	\$ 828,507	\$ 29,625
Charges for services	<u>25,000</u>	<u>22,056</u>	<u>21,906</u>	<u>(150)</u>
Total Revenues	<u>641,877</u>	<u>820,938</u>	<u>850,413</u>	<u>29,475</u>
<b><u>EXPENDITURES</u></b>				
Current operations:				
General government	-	-	389	(389)
Transportation	572,317	596,997	582,900	14,097
Debt service:				
Principal	23,000	-	-	-
Capital outlay	<u>176,500</u>	<u>180,450</u>	<u>177,051</u>	<u>3,399</u>
Total Expenditures	<u>771,817</u>	<u>777,447</u>	<u>760,340</u>	<u>17,107</u>
Excess (deficiency) of revenues over expenditures	<u>(129,940)</u>	<u>43,491</u>	<u>90,073</u>	<u>46,582</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	20,000	20,000	-	(20,000)
Transfers out	<u>-</u>	<u>(23,000)</u>	<u>(23,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>20,000</u>	<u>(3,000)</u>	<u>(23,000)</u>	<u>(20,000)</u>
Net change in fund balance	<u>\$ (109,940)</u>	<u>\$ 40,491</u>	67,073	<u>\$ 26,582</u>
Fund deficit - July 1, 2017			<u>(56,973)</u>	
Fund deficit - June 30, 2018			<u>\$ 10,100</u>	

**CITY OF AUBURN**  
**PROPERTY SEIZURES - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Other revenues	\$ 50,000	\$ 190,000	\$ 204,935	\$ 14,935
Total Revenues	<u>50,000</u>	<u>190,000</u>	<u>204,935</u>	<u>14,935</u>
<b><u>EXPENDITURES</u></b>				
Current operations:				
Public safety	-	28,000	31,537	(3,537)
Capital outlay	<u>19,404</u>	<u>124,100</u>	<u>164,512</u>	<u>(40,412)</u>
Total Expenditures	<u>19,404</u>	<u>152,100</u>	<u>196,049</u>	<u>(43,949)</u>
Net change in fund balance	<u>\$ 30,596</u>	<u>\$ 37,900</u>	8,886	<u>\$ (29,014)</u>
Fund balance - July 1, 2017			<u>22,068</u>	
Fund balance - June 30, 2018			<u>\$ 30,954</u>	

**CITY OF AUBURN**  
**SMALL BUSINESS LOANS - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Use of money and property	\$ 1,000	\$ 1,900	\$ 114	\$ (1,786)
Other revenues	<u>25,600</u>	<u>25,512</u>	<u>25,514</u>	<u>2</u>
Total Revenues	<u>26,600</u>	<u>27,412</u>	<u>25,628</u>	<u>(1,784)</u>
<b><u>EXPENDITURES</u></b>				
Current operations:				
Community development	<u>16,483</u>	<u>(6,600)</u>	<u>1,231</u>	<u>(7,831)</u>
Total Expenditures	<u>16,483</u>	<u>(6,600)</u>	<u>1,231</u>	<u>(7,831)</u>
Net change in fund balance	<u>\$ 10,117</u>	<u>\$ 34,012</u>	24,397	<u>\$ (9,615)</u>
Fund balance - July 1, 2017			<u>366,299</u>	
Fund balance - June 30, 2018			<u>\$ 390,696</u>	

**CITY OF AUBURN**  
**SOLID WASTE MANAGEMENT - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 146,880	\$ 150,000	\$ 154,665	\$ 4,665
Use of money and property	2,000	2,000	1,753	(247)
Intergovernmental	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total Revenues	<u>153,880</u>	<u>157,000</u>	<u>156,418</u>	<u>(582)</u>
 <b><u>EXPENDITURES</u></b>				
Current operations:				
Public safety	<u>245,500</u>	<u>260,291</u>	<u>188,759</u>	<u>71,532</u>
Total Expenditures	<u>245,500</u>	<u>260,291</u>	<u>188,759</u>	<u>71,532</u>
Net change in fund balance	<u>\$ (91,620)</u>	<u>\$ (103,291)</u>	(32,341)	<u>\$ 70,950</u>
Fund balance - July 1, 2017			<u>331,290</u>	
Fund balance - June 30, 2018			<u>\$ 298,949</u>	

**CITY OF AUBURN**  
OFFICE OF TRAFFIC SAFETY - NONMAJOR SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 10,000	\$ -	\$ -	\$ -
Total Revenues	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>EXPENDITURES</u></b>				
Current operations:				
General government	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund deficit - July 1, 2017			<u>-</u>	
Fund balance - June 30, 2018			<u>\$ -</u>	

**CITY OF AUBURN**  
STATE LAW ENFORCEMENT GRANT - NONMAJOR SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b><u>REVENUES</u></b>				
Intergovernmental	\$ <u>100,000</u>	\$ <u>139,416</u>	\$ <u>139,416</u>	\$ _____ -
Total Revenues	<u>100,000</u>	<u>139,416</u>	<u>139,416</u>	_____ -
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(100,000)</u>	<u>(79,416)</u>	<u>(139,416)</u>	<u>(60,000)</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(79,416)</u>	<u>(139,416)</u>	<u>(60,000)</u>
Net change in fund balance	\$ _____ -	\$ <u>60,000</u>	-	\$ <u>(60,000)</u>
Fund balance - July 1, 2017			_____ -	
Fund balance - June 30, 2018			\$ _____ -	

**CITY OF AUBURN**  
**FACILITIES AND EQUIPMENT - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Licenses and permits	\$ 150,000	\$ 145,000	\$ 149,200	\$ 4,200
Use of money and property	600	2,100	3,296	1,196
Other revenues	<u>-</u>	<u>11,812</u>	<u>11,812</u>	<u>-</u>
Total Revenues	<u>150,600</u>	<u>158,912</u>	<u>164,308</u>	<u>5,396</u>
<b><u>EXPENDITURES</u></b>				
Current operations:				
General government	70,568	-	12,587	(12,587)
Debt service:				
Interest and fiscal charges	94,086	-	-	-
Capital outlay	<u>47,342</u>	<u>52,754</u>	<u>52,754</u>	<u>-</u>
Total Expenditures	<u>211,996</u>	<u>52,754</u>	<u>65,341</u>	<u>(12,587)</u>
Net change in fund balance	<u>\$ (61,396)</u>	<u>\$ 106,158</u>	98,967	<u>\$ (7,191)</u>
Fund balance - July 1, 2017			<u>303,240</u>	
Fund balance - June 30, 2018			<u>\$ 402,207</u>	

**CITY OF AUBURN**  
**MISCELLANEOUS GRANTS - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Charges for service	\$ 20,000	\$ 60,487	\$ 60,487	\$ -
Other revenues	<u>-</u>	<u>3,247</u>	<u>3,247</u>	<u>-</u>
Total Revenues	<u>20,000</u>	<u>63,734</u>	<u>63,734</u>	<u>-</u>
<b><u>EXPENDITURES</u></b>				
Current operations:				
Public safety	85,000	-	684	(684)
Transportation	-	5,000	3,590	1,410
Debt service				
Interest and fiscal charges	-	94,086	92,477	1,609
Capital outlay	<u>-</u>	<u>-</u>	<u>1,609</u>	<u>(1,609)</u>
Total Expenditures	<u>85,000</u>	<u>99,086</u>	<u>98,360</u>	<u>726</u>
Net change in fund balance	<u>\$ (65,000)</u>	<u>\$ (35,352)</u>	(34,626)	<u>\$ 726</u>
Fund balance - July 1, 2017			<u>234,509</u>	
Fund balance - June 30, 2018			<u>\$ 199,883</u>	

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**FIDUCIARY FUNDS  
PRIVATE PURPOSE TRUST FUNDS**

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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.

**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.

**CITY OF AUBURN**  
**PRIVATE PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF NET POSTION**  
**JUNE 30, 2018**

	<b>Merchant's Council</b>	<b>Historic Auburn</b>	<b>Signature Theatre Sewer District</b>
<b><u>ASSETS</u></b>			
Cash and investments	\$ <u>14,044</u>	\$ <u>13,320</u>	\$ <u>115</u>
Total Assets	<u>14,044</u>	<u>13,320</u>	<u>115</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred amount on bond refunding	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	-	-	-
Long-term debt:			
Due within one year	-	-	-
Due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>NET POSITION</u></b>			
Net position held in trust	<u>14,044</u>	<u>13,320</u>	<u>115</u>
Total Net Position	<u>\$ 14,044</u>	<u>\$ 13,320</u>	<u>\$ 115</u>

**CITY OF AUBURN**  
**PRIVATE PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF NET POSITION (CONTINUED)**  
**JUNE 30, 2018**

	<b>Southwest Specific Plan</b>	<b>Successor Agency to the Auburn Urban Development Authority</b>	<b>Total Private Purpose Trust Funds</b>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 6,698	\$ 200,711	\$ 234,888
Total Assets	6,698	200,711	234,888
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred amount on bond refunding	-	595,189	595,189
Total Deferred Outflows of Resources	-	595,189	595,189
<b><u>LIABILITIES</u></b>			
Accounts payable	-	1,250	1,250
Long-term debt:			
Due within one year	-	145,239	145,239
Due in more than one year	-	4,099,527	4,099,527
Total Liabilities	-	4,246,016	4,246,016
<b><u>NET POSITION</u></b>			
Net position held in trust	6,698	(3,450,116)	(3,415,939)
Total Net Position	\$ 6,698	\$ (3,450,116)	\$ (3,415,939)

**CITY OF AUBURN**  
**PRIVATE PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**JUNE 30, 2018**

	<b>Merchant's Council</b>	<b>Historic Auburn</b>	<b>Signature Theatre Sewer District</b>
<b><u>REVENUES</u></b>			
Property taxes	\$ -	\$ -	\$ -
Interest income	-	-	-
Other revenues	53,328	26,545	-
Total Revenues	53,328	26,545	-
<b><u>EXPENDITURES</u></b>			
Distributions to participants	40,084	13,725	-
Program expenses for former redevelopment agency	-	-	-
Amortization	-	-	-
Total Expenditures	40,084	13,725	-
Change in net position	13,244	12,820	-
Net position - July 1, 2017	800	500	115
Net position - June 30, 2018	\$ 14,044	\$ 13,320	\$ 115

**CITY OF AUBURN**  
**PRIVATE PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION (CONTINUED)**  
**JUNE 30, 2018**

	<u>Southwest Specific Plan</u>	<u>Successor Agency to the Auburn Urban Development Authority</u>	<u>Total Private Purpose Trust Funds</u>
<b><u>REVENUES</u></b>			
Property taxes	\$ -	\$ 314,737	\$ 314,737
Interest income	64	1,976	2,040
Other revenues	<u>-</u>	<u>-</u>	<u>79,873</u>
Total Revenues	<u>64</u>	<u>316,713</u>	<u>396,650</u>
<b><u>EXPENDITURES</u></b>			
Distributions to participants	13	-	53,822
Program expenses for former redevelopment agency	-	206,726	206,726
Amortization	<u>-</u>	<u>25,546</u>	<u>25,546</u>
Total Expenditures	<u>13</u>	<u>232,272</u>	<u>286,094</u>
Change in net position	51	84,441	110,556
Net position - July 1, 2017	<u>6,647</u>	<u>(3,534,557)</u>	<u>(3,526,495)</u>
Net position - June 30, 2018	<u>\$ 6,698</u>	<u>\$ (3,450,116)</u>	<u>\$ (3,415,939)</u>

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**FIDUCIARY FUNDS  
AGENCY FUNDS**

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**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.

APOA Medical Savings Plan

This 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**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Cable TV Access Fees</u>	<u>Fire Safety Council</u>	<u>Recreation Park Development</u>	<u>Placer County Facilities Fee</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 51,723	\$ 53	\$ 123,174	\$ 70,494
Receivables:				
Accounts	<u>8,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 59,973</u>	<u>\$ 53</u>	<u>\$ 123,174</u>	<u>\$ 70,494</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 41,470	\$ -	\$ 122,928	\$ 35,454
Agency obligations	<u>18,503</u>	<u>53</u>	<u>246</u>	<u>35,040</u>
Total Liabilities	<u>\$ 59,973</u>	<u>\$ 53</u>	<u>\$ 123,174</u>	<u>\$ 70,494</u>

**CITY OF AUBURN**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Payroll Clearing</u>	<u>APOA Medical Savings Plan</u>	<u>Total Agency Funds</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ (6,160)	\$ (1,108)	\$ 238,176
Receivables:			
Accounts	<u>-</u>	<u>-</u>	<u>8,250</u>
Total Assets	<u>\$ (6,160)</u>	<u>\$ (1,108)</u>	<u>\$ 246,426</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 8,098	\$ -	\$ 207,950
Agency obligations	<u>(14,258)</u>	<u>(1,108)</u>	<u>38,476</u>
Total Liabilities	<u>\$ (6,160)</u>	<u>\$ (1,108)</u>	<u>\$ 246,426</u>

**CITY OF AUBURN**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>CABLE TV ACCESS FEES</b>				
<u>ASSETS</u>				
Cash and investments	\$ 18,503	\$ 47,824	\$ 14,604	\$ 51,723
Receivables:				
Accounts	<u>8,285</u>	<u>8,250</u>	<u>8,285</u>	<u>8,250</u>
Total Assets	<u>\$ 26,788</u>	<u>\$ 56,074</u>	<u>\$ 22,889</u>	<u>\$ 59,973</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 4,958	\$ 41,470	\$ 4,958	\$ 41,470
Agency obligations	<u>21,830</u>	<u>33,186</u>	<u>36,513</u>	<u>18,503</u>
Total Liabilities	<u>\$ 26,788</u>	<u>\$ 74,656</u>	<u>\$ 41,471</u>	<u>\$ 59,973</u>
<b>FIRE SAFETY COUNCIL</b>				
<u>ASSETS</u>				
Cash and investments	\$ <u>52</u>	\$ <u>1</u>	\$ -	\$ <u>53</u>
Total Assets	<u>\$ 52</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 53</u>
<u>LIABILITIES</u>				
Agency obligations	<u>52</u>	<u>1</u>	-	<u>53</u>
Total Liabilities	<u>\$ 52</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 53</u>
<b>RECREATION PARK DEVELOPMENT</b>				
<u>ASSETS</u>				
Cash and investments	\$ <u>151,415</u>	\$ <u>142,665</u>	\$ <u>170,906</u>	\$ <u>123,174</u>
Total Assets	<u>\$ 151,415</u>	<u>\$ 142,665</u>	<u>\$ 170,906</u>	<u>\$ 123,174</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 425	\$ 293,553	\$ 171,050	\$ 122,928
Agency obligations	<u>150,990</u>	<u>142,610</u>	<u>293,354</u>	<u>246</u>
Total Liabilities	<u>\$ 151,415</u>	<u>\$ 436,163</u>	<u>\$ 464,404</u>	<u>\$ 123,174</u>

**CITY OF AUBURN**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>PLACER COUNTY FACILITIES FEE</b>				
<u>ASSETS</u>				
Cash and investments	\$ 81,170	\$ 107,762	\$ 118,438	\$ 70,494
Total Assets	<u>\$ 81,170</u>	<u>\$ 107,762</u>	<u>\$ 118,438</u>	<u>\$ 70,494</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 56,985	\$ 153,892	\$ 175,423	\$ 35,454
Agency obligations	<u>24,185</u>	<u>164,747</u>	<u>153,892</u>	<u>35,040</u>
Total Liabilities	<u>\$ 81,170</u>	<u>\$ 318,639</u>	<u>\$ 329,315</u>	<u>\$ 70,494</u>
<b>PAYROLL CLEARING</b>				
<u>ASSETS</u>				
Cash and investments	\$ 294	\$ -	\$ 6,454	\$ (6,160)
Receivables:				
Other receivables	<u>584</u>	<u>-</u>	<u>584</u>	<u>-</u>
Total Assets	<u>\$ 878</u>	<u>\$ -</u>	<u>\$ 7,038</u>	<u>\$ (6,160)</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 6,943	\$ 1,155	\$ -	\$ 8,098
Agency obligations	<u>(6,065)</u>	<u>-</u>	<u>8,193</u>	<u>(14,258)</u>
Total Liabilities	<u>\$ 878</u>	<u>\$ 1,155</u>	<u>\$ 8,193</u>	<u>\$ (6,160)</u>
<b>APOA MEDICAL SAVINGS PLAN</b>				
<u>ASSETS</u>				
Cash and investments	\$ 10,590	\$ -	\$ 11,698	\$ (1,108)
Total Assets	<u>\$ 10,590</u>	<u>\$ -</u>	<u>\$ 11,698</u>	<u>\$ (1,108)</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 10,590	\$ -	\$ 11,698	\$ (1,108)
Total Liabilities	<u>\$ 10,590</u>	<u>\$ -</u>	<u>\$ 11,698</u>	<u>\$ (1,108)</u>

**STATISTICAL SECTION**



## 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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	102 - 106
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	107 - 110
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	
<b>Debt Capacity</b>	111 - 114
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.	
<b>Economic and Demographic Information</b>	115 - 116
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.	
<b>Operating Information</b>	117 - 119
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.	

*Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

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

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 19,336,184	\$ 18,886,386	\$ 17,508,894	\$ 21,555,502	\$ 20,966,807	\$ 20,815,460	\$ 21,053,667	\$ 20,545,598	\$ 20,246,737	\$ 19,643,694
Restricted	8,114,974	6,541,853	5,089,610	3,000,169	3,296,195	3,323,613	3,413,170	2,759,672	2,112,036	2,118,181
Unrestricted	(3,166,820)	(1,943,195)	214,035	311,924	812,150	773,227	(13,999,420)	(11,811,896)	(9,553,738)	(9,967,752)
Total governmental activities net position	<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>	<u>\$ 10,467,417</u>	<u>\$ 11,493,374</u>	<u>\$ 12,805,035</u>	<u>\$ 11,794,123</u>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 17,671,003	\$ 19,008,750	\$ 16,358,353	\$ 17,106,731	18,226,969	18,371,032	18,643,735	22,005,703	28,336,829	23,391,752
Restricted	-	559,262	559,263	559,263	559,263	559,263	559,263	559,263	-	-
Unrestricted	4,871,695	4,603,714	9,075,908	9,180,877	9,238,584	9,395,474	9,518,070	7,116,426	3,688,760	9,432,477
Total business-type activities net position	<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>	<u>\$ 28,721,068</u>	<u>\$ 29,681,392</u>	<u>\$ 32,025,589</u>	<u>\$ 32,824,229</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 37,007,187	\$ 37,895,136	\$ 33,867,247	\$ 38,662,233	\$ 39,193,776	\$ 39,186,492	\$ 39,697,402	\$ 42,551,301	\$ 48,583,566	\$ 43,035,446
Restricted	8,114,974	7,101,115	5,648,873	3,559,432	3,855,458	3,882,876	3,972,433	3,318,935	2,112,036	2,118,181
Unrestricted	1,704,875	2,660,519	9,289,943	9,492,801	10,050,734	10,168,701	(4,481,350)	(4,695,470)	(5,864,978)	(535,275)
Total primary government net position	<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>	<u>\$ 39,188,485</u>	<u>\$ 41,174,766</u>	<u>\$ 44,830,624</u>	<u>\$ 44,618,352</u>

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

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 1,741,542	\$ 1,735,630	\$ 1,340,063	\$ 1,678,027	\$ 1,890,167	\$ 1,474,340	\$ 1,889,941	\$ 1,125,600	\$ 2,144,834	\$ 2,994,356
Public safety	6,066,740	5,503,174	5,147,639	5,139,270	5,421,554	6,369,373	6,053,257	6,409,094	6,669,186	7,886,666
Transportation	2,592,016	2,926,324	3,254,955	2,766,145	3,508,302	3,145,072	2,137,436	3,569,520	2,584,346	2,932,160
Community development	1,490,980	1,326,272	881,511	670,701	693,696	934,437	1,513,541	891,621	1,551,508	1,622,255
Recreation and culture	33,292	36,339	-	-	-	-	-	-	-	-
Interest on long-term debt	475,274	276,751	539,949	360,834	266,979	258,754	243,174	228,595	219,479	206,005
<b>Total Governmental Activities Expenses</b>	<b>12,399,844</b>	<b>11,804,490</b>	<b>11,164,117</b>	<b>10,614,977</b>	<b>11,780,698</b>	<b>12,181,976</b>	<b>11,837,349</b>	<b>12,224,430</b>	<b>13,169,353</b>	<b>15,641,442</b>
Business-Type Activities										
Airport	574,112	604,719	551,423	647,973	666,373	681,504	760,253	856,554	892,856	806,418
Sewer	3,432,180	3,433,579	3,543,183	4,128,331	4,108,614	5,040,454	4,684,549	4,944,147	4,644,247	5,658,938
<b>Total Business-Type Activities Expenses</b>	<b>4,006,292</b>	<b>4,038,298</b>	<b>4,094,606</b>	<b>4,776,304</b>	<b>4,774,987</b>	<b>5,721,958</b>	<b>5,444,802</b>	<b>5,800,701</b>	<b>5,537,103</b>	<b>6,465,356</b>
<b>Total Primary Government Expenses</b>	<b>\$ 16,406,136</b>	<b>\$ 15,842,788</b>	<b>\$ 15,258,723</b>	<b>\$ 15,391,281</b>	<b>\$ 16,555,685</b>	<b>\$ 17,903,934</b>	<b>\$ 17,282,151</b>	<b>\$ 18,025,131</b>	<b>\$ 18,706,456</b>	<b>\$ 22,106,798</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
General government	\$ 749,498	\$ 496,199	\$ 593,738	\$ 548,326	\$ 810,080	\$ 523,315	\$ 580,477	\$ 549,138	\$ 1,370,010	\$ 901,002
Public safety	369,292	120,660	30,726	30,093	25,249	24,609	21,097	24,680	99,326	157,876
Transportation	72,560	65,710	225,045	243,660	284,103	265,717	353,966	352,938	360,678	380,508
Community development	209,542	303,883	-	-	-	-	891,621	-	29,346	5,132
Recreation and culture	34,563	34,358	-	-	-	-	-	-	-	-
Operating grants and contributions	2,536,633	1,154,715	1,700,882	1,115,106	2,565,297	2,574,530	3,652,206	2,329,220	2,629,755	2,686,215
Capital grants and contributions	2,801,230	1,257,311	490,889	492,234	2,468	-	19,666	-	46,316	-
<b>Total Governmental Activities Program Revenues</b>	<b>6,773,318</b>	<b>3,432,836</b>	<b>3,041,280</b>	<b>2,429,419</b>	<b>3,687,197</b>	<b>3,388,171</b>	<b>5,519,033</b>	<b>3,255,976</b>	<b>4,535,431</b>	<b>4,130,733</b>
Charges for services:										
Airport	566,954	834,189	526,017	611,558	630,290	672,754	652,827	680,150	637,958	690,185
Sewer	4,334,075	4,635,541	4,635,853	4,899,585	5,388,670	5,218,233	5,653,470	5,881,043	6,527,955	6,668,886
Operating grants and contributions	6,350	2,986	609,843	1,553	77,692	86,311	84,249	-	-	40,000
Capital grants and contributions	-	-	-	-	-	-	-	-	85,522	71,733
<b>Total Business-Type Activities Program Revenues</b>	<b>4,907,379</b>	<b>5,472,716</b>	<b>5,771,713</b>	<b>5,512,696</b>	<b>6,096,652</b>	<b>5,977,298</b>	<b>6,390,546</b>	<b>6,561,193</b>	<b>7,251,435</b>	<b>7,470,804</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 11,680,697</b>	<b>\$ 8,905,552</b>	<b>\$ 8,812,993</b>	<b>\$ 7,942,115</b>	<b>\$ 9,783,849</b>	<b>\$ 9,365,469</b>	<b>\$ 11,909,579</b>	<b>\$ 9,817,169</b>	<b>\$ 11,786,866</b>	<b>\$ 11,601,537</b>

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

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Net (Expense)/Revenue (1)</b>										
Governmental activities	\$ (5,626,526)	\$ (8,371,654)	\$ (8,122,837)	\$ (8,185,558)	\$ (8,093,501)	\$ (8,793,805)	\$ (6,318,316)	\$ (8,968,454)	\$ (8,633,922)	\$ (11,510,709)
Business-type activities	901,087	1,434,418	1,677,107	736,392	1,321,665	255,340	945,744	760,492	1,714,332	1,005,448
<b>Total Primary Government Net (Expense)</b>	<b>\$ (4,725,439)</b>	<b>\$ (6,937,236)</b>	<b>\$ (6,445,730)</b>	<b>\$ (7,449,166)</b>	<b>\$ (6,771,836)</b>	<b>\$ (8,538,465)</b>	<b>\$ (5,372,572)</b>	<b>\$ (8,207,962)</b>	<b>\$ (6,919,590)</b>	<b>\$ (10,505,261)</b>
<b>General Revenues and Other changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Property taxes	\$ 4,064,058	\$ 3,816,117	\$ 3,454,566	\$ 3,177,351	\$ 3,097,824	\$ 2,627,318	\$ 3,311,186	\$ 3,481,455	\$ 3,668,441	\$ 3,855,830
Sales and use taxes	2,059,504	1,903,834	2,027,383	2,316,047	2,787,736	2,957,859	3,291,054	4,227,963	4,988,444	4,811,629
In-lieu taxes	1,040,123	701,744	832,427	1,011,481	1,231,066	1,470,211	1,291,045	1,464,589	-	-
Franchise taxes	657,957	621,108	622,156	622,265	630,244	632,963	663,639	683,065	708,961	756,161
Transient occupancy taxes	212,709	180,575	198,041	211,217	209,158	226,298	241,158	239,656	298,716	323,551
Other taxes	25,808	27,869	42,647	37,300	52,759	56,069	64,218	72,330	77,675	86,383
Grants and contributions - unrestricted	-	-	61,677	6,717	6,960	431,011	5,657	5,576	-	-
Interest and investment earnings	259,023	269,401	140,108	59,814	7,934	119,117	58,888	(38,649)	16,920	73,030
Miscellaneous	141,737	51,712	58,905	45,704	326,904	52,653	50,735	78,504	132,530	263,213
Transfers	-	-	12,422	10,452	45,801	57,454	44,974	28,908	30,000	330,000
Loss on sale of capital assets	-	-	-	-	-	-	-	-	(23,659)	-
Extraordinary gain	-	-	-	2,470,706	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>8,460,919</b>	<b>7,572,360</b>	<b>7,450,332</b>	<b>9,969,054</b>	<b>8,396,386</b>	<b>8,630,953</b>	<b>9,022,554</b>	<b>10,243,397</b>	<b>9,898,028</b>	<b>10,499,797</b>
Business-Type Activities										
Property taxes	36,181	30,272	26,184	26,177	38,568	47,364	30,326	35,083	45,626	51,249
Interest and investment earnings	144,374	164,338	129,879	79,770	3,910	38,063	8,076	36,439	24,146	69,943
Miscellaneous	-	-	1,050	21,460	40,000	17,640	87	12,348	55,967	2,000
Transfers	64,800	-	(12,422)	(10,452)	(45,801)	(57,454)	(44,974)	(28,908)	(30,000)	(330,000)
<b>Total Business-Type Activities</b>	<b>245,355</b>	<b>194,610</b>	<b>144,691</b>	<b>116,955</b>	<b>36,677</b>	<b>45,613</b>	<b>(6,485)</b>	<b>54,962</b>	<b>95,739</b>	<b>(206,808)</b>
<b>Total Primary Government</b>	<b>\$ 8,706,274</b>	<b>\$ 7,766,970</b>	<b>\$ 7,595,023</b>	<b>\$ 10,086,009</b>	<b>\$ 8,433,063</b>	<b>\$ 8,676,566</b>	<b>\$ 9,016,069</b>	<b>\$ 10,298,359</b>	<b>\$ 9,993,767</b>	<b>\$ 10,292,989</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 2,834,393	\$ (799,294)	\$ (672,505)	\$ 1,783,496	\$ 302,885	\$ (162,852)	\$ 2,704,238	\$ 1,274,943	\$ 1,264,106	\$ (1,010,912)
Business-type activities	1,146,442	1,629,028	1,821,798	853,347	1,358,342	300,953	939,259	815,454	1,810,071	798,640
<b>Total Primary Government</b>	<b>\$ 3,980,835</b>	<b>\$ 829,734</b>	<b>\$ 1,149,293</b>	<b>\$ 2,636,843</b>	<b>\$ 1,661,227</b>	<b>\$ 138,101</b>	<b>\$ 3,643,497</b>	<b>\$ 2,090,397</b>	<b>\$ 3,074,177</b>	<b>\$ (212,272)</b>

**Note:**

(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.

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

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
General Fund										
Reserved	\$ 455,035	\$ 537,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,958,087	2,309,992	-	-	-	-	-	-	-	-
Nonspendable	-	-	57,911	52,166	63,016	68,408	83,387	103,084	81,838	266,528
Committed	-	-	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000	2,700,000	2,000,000	2,635,012
Unassigned	-	-	361,665	425,522	679,331	1,127,255	2,301,958	3,123,198	3,796,166	2,748,800
Total General Fund	<u>\$ 3,413,122</u>	<u>\$ 2,847,473</u>	<u>\$ 2,669,576</u>	<u>\$ 2,727,688</u>	<u>\$ 2,992,347</u>	<u>\$ 3,445,663</u>	<u>\$ 4,635,345</u>	<u>\$ 5,926,282</u>	<u>\$ 5,878,004</u>	<u>\$ 5,650,340</u>
All Other Governmental Funds										
Reserved	\$ -	\$ 341,455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,693,968	5,036,159	-	-	-	-	-	-	-	-
Debt service funds	351,502	-	-	-	-	-	-	-	-	-
Capital projects funds	1,244,363	824,185	-	-	-	-	-	-	-	-
Nonspendable	-	-	2,656	2,794	3,052	3,359	2,569	5,066	-	-
Restricted	-	-	5,086,854	2,997,375	3,293,143	3,320,954	3,410,601	2,754,606	2,112,036	2,118,181
Unassigned	-	-	(400,405)	(401,645)	(400,801)	(992,262)	(448,511)	(735,137)	(376,992)	(202,193)
Total All Other Governmental Funds	<u>\$ 3,289,833</u>	<u>\$ 6,201,799</u>	<u>\$ 4,689,105</u>	<u>\$ 2,598,524</u>	<u>\$ 2,895,394</u>	<u>\$ 2,332,051</u>	<u>\$ 2,964,659</u>	<u>\$ 2,024,535</u>	<u>\$ 1,735,044</u>	<u>\$ 1,915,988</u>

**Note:**

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.

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

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Revenues</b>										
Taxes	\$ 7,541,403	\$ 6,535,207	\$ 7,162,454	\$ 7,510,603	\$ 8,008,787	\$ 7,970,718	\$ 8,871,408	\$ 10,169,058	\$ 9,742,237	\$ 9,833,554
Franchise fees	518,756	621,108	-	-	-	-	-	-	-	-
Licenses and permits	383,622	461,496	326,069	301,267	631,012	334,890	425,675	363,765	699,752	744,953
Fines and forfeitures	142,998	106,386	103,169	74,950	62,369	50,287	48,391	55,479	68,699	130,891
Use of money and protery	613,929	575,533	452,064	360,115	299,653	404,117	354,682	257,104	339,164	372,647
Intergovernmental	5,712,125	2,386,783	2,253,448	1,463,061	2,574,725	3,005,541	3,677,529	2,282,180	2,310,359	2,686,215
Charges for services	179,412	146,796	108,315	145,561	134,332	143,464	185,680	211,759	687,819	235,331
Other revenues	141,737	51,712	58,905	45,704	326,904	52,653	50,735	78,504	242,380	290,283
<b>Total Revenues</b>	<b>15,233,982</b>	<b>10,885,021</b>	<b>10,464,424</b>	<b>9,901,261</b>	<b>12,037,782</b>	<b>11,961,670</b>	<b>13,614,100</b>	<b>13,417,849</b>	<b>14,090,410</b>	<b>14,293,874</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	1,606,237	1,452,089	1,194,839	1,510,220	1,755,477	1,285,454	1,535,156	1,624,101	1,856,144	2,288,827
Public safety	5,702,042	5,499,427	5,119,592	5,267,512	5,513,843	6,135,398	5,970,331	6,166,988	6,921,049	7,127,305
Transportation	2,096,725	1,802,750	2,445,107	1,716,030	2,427,123	2,142,154	2,065,210	3,092,363	1,953,480	2,148,445
Community development	1,494,664	1,310,866	878,671	667,861	690,856	934,437	625,686	423,018	913,172	1,273,845
Recreation and culture	33,292	35,979	-	-	-	-	-	-	-	-
Capital outlay	4,895,952	3,267,510	1,779,017	1,032,454	1,301,682	1,030,225	1,073,781	1,030,281	1,765,191	1,352,992
<b>Debt service</b>										
Principal	499,235	183,149	208,222	140,383	207,403	331,993	359,490	363,856	418,470	377,477
Interest	454,713	267,968	541,889	382,928	268,691	269,490	254,807	243,633	219,479	206,005
Administrative, issuance and other costs	105,823	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>16,888,683</b>	<b>13,819,738</b>	<b>12,167,337</b>	<b>10,717,388</b>	<b>12,165,075</b>	<b>12,129,151</b>	<b>11,884,461</b>	<b>12,944,240</b>	<b>14,046,985</b>	<b>14,774,896</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,654,701)</b>	<b>(2,934,717)</b>	<b>(1,702,913)</b>	<b>(816,127)</b>	<b>(127,293)</b>	<b>(167,481)</b>	<b>1,729,639</b>	<b>473,609</b>	<b>43,425</b>	<b>(481,022)</b>
<b>Other Financial Sources (Uses)</b>										
Bonds issued	4,805,000	-	-	-	-	-	-	-	-	-
Discounts on debt issued	(102,677)	-	-	-	-	-	-	-	-	-
Capital lease	-	47,506	-	-	-	-	-	-	211,214	-
Issuance of debt	-	-	-	-	643,021	-	-	99,876	-	-
Transfers in	906,258	425,902	590,279	135,091	194,531	198,963	205,896	627,682	1,009,546	530,866
Transfers out	(906,258)	(425,902)	(577,857)	(124,639)	(148,730)	(141,509)	(160,922)	(598,774)	(979,546)	(200,866)
<b>Total Other Financial Sources (Uses)</b>	<b>4,702,323</b>	<b>47,506</b>	<b>12,422</b>	<b>10,452</b>	<b>688,822</b>	<b>57,454</b>	<b>44,974</b>	<b>128,784</b>	<b>241,214</b>	<b>330,000</b>
<b>Extraordinary Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,498,454)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 3,047,622</b>	<b>\$ (2,887,211)</b>	<b>\$ (1,690,491)</b>	<b>\$ (2,304,129)</b>	<b>\$ 561,529</b>	<b>\$ (110,027)</b>	<b>\$ 1,774,613</b>	<b>\$ 602,393</b>	<b>\$ 284,639</b>	<b>\$ (151,022)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>8.84%</b>	<b>4.28%</b>	<b>7.22%</b>	<b>5.40%</b>	<b>4.38%</b>	<b>5.42%</b>	<b>5.68%</b>	<b>5.10%</b>	<b>5.19%</b>	<b>4.35%</b>

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

<u>Fiscal Year</u>	<u>Secured Assessed</u>	<u>Unsecured Assessed</u>	<u>SBE Nonunitary</u>	<u>Total Assessed Value</u>	<u>Total Direct Tax Rate</u>
2008-09	1,612,546,567	160,697,268	5,008,642	1,778,252,477	0.175%
2009-10	1,565,471,834	137,416,307	6,108,574	1,708,996,715	0.170%
2010-11	1,459,926,130	127,203,203	6,108,574	1,593,237,907	0.183%
2011-12	1,414,716,041	126,266,033	6,108,574	1,547,090,648	0.175%
2012-13	1,410,935,273	127,048,007	6,108,574	1,544,091,854	0.174%
2013-14	1,472,660,455	123,709,189	6,579,866	1,602,949,510	0.173%
2014-15	1,562,401,407	124,429,822	6,579,866	1,693,411,095	0.133%
2015-16	1,677,425,526	127,084,453	6,579,866	1,811,089,845	0.133%
2016-17	1,750,596,957	133,452,917	6,579,866	1,890,629,740	0.133%
2017-18	1,812,740,868	119,177,767	6,208,850	1,938,127,485	0.175%

*Source: Assessor's Office, County of Placer  
Administrative Services Department, City of Auburn*

**CITY OF AUBURN**  
**Property Tax Rates - All Overlapping Governments**  
**Last Ten Fiscal Years**  
**(Rate per \$100 of Taxable Value)**

Fiscal Year	Direct Rate	Overlapping Rates			City's Share of 1% Levy Per Prop 13 (c)	Voter Approved City Debt Rate	Redevelopment Rate (d)	Total Direct Rate (e)	
	Local Government Rate (a)	City of Auburn B & I	Nevada Irrigation	Placer Union High					Total Rate (b)
2008/09	1.00	-	0.0025	0.02009	1.02259	0.17471	-	1.0000	0.17007
2009/10	1.00	-	0.0021	0.02177	1.02387	0.17471	-	1.0000	0.18274
2010/11	1.00	-	0.0023	0.02651	1.02881	0.17471	-	1.0000	0.17539
2011/12	1.00	-	0.0026	0.02628	1.02888	0.17471	-	1.0000	0.17370
2012/13	1.00	-	-	0.02848	1.02848	0.17471	-	-	0.17340
2013/14	1.00	-	-	0.02799	1.02799	0.17471	-	-	0.13324
2014/15	1.00	-	-	0.01939	1.01939	0.17471	-	-	0.13330
2015/16	1.00	-	-	0.01465	1.01465	0.17417	-	-	0.13348
2016/17	1.00	-	-	0.02416	1.02416	0.17470	-	-	0.13358
2017/18	1.00	-	-	0.02555	1.02555	0.17470	-	-	0.17470

*Notes:*

(a) In 1978, California voters passed Proposition 13 which set 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 value for the payment of any other voter-approved bonds.

(b) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners.

(c) City's share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in the tax ratio figures.

(d) Redevelopment rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and thereafter.

(e) Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the Statistical Section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

*Source:*

Placer County Assessor's Office

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

Taxpayer	<b>Fiscal Year 2017/18</b>	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Parkhill LII Partnership	\$ 16,211,033	0.84%
260 Racetrack Street LLC	13,220,466	0.68%
Longs Drug Stores Inc.	11,109,010	0.57%
1616 I Street Properties	9,779,822	0.50%
Auburn Promenade Ltd.	8,400,235	0.43%
Persimmon Terrace Apts LP	6,800,000	0.35%
Auburn Town Square LLC	5,941,017	0.31%
UAIC Development Corporation	5,765,763	0.30%
Auburn Investors LLC	5,728,036	0.30%
PAC77 LP	5,247,278	0.27%
	<u>\$ 88,202,660</u>	<u>4.55%</u>
Total City of Auburn assessed property valuation Fiscal Year 2017/18		<u>\$ 1,938,127,485</u>

Taxpayer	<b>Fiscal Year 2008/09</b>	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Coherent Inc	\$ 32,662,816	1.63%
Reneson Hotels, Inc.	14,067,251	0.97%
Auburn Creekside, LLC	10,511,699	0.72%
Regal Cinemas, Inc.	10,424,559	0.72%
BKR Investors, LLC	8,622,819	0.59%
Carpenter Advanced Ceramics	7,134,490	0.49%
RMP Properties LLC	6,599,453	0.45%
Auburn Creekside Buildings A & E LLC	6,497,092	0.45%
UAIC Development Corporation	5,964,417	0.41%
Alfred & Peggy Lee	5,297,319	0.36%
	<u>\$ 107,781,915</u>	<u>6.79%</u>
Total City of Auburn assessed property valuation Fiscal Year 2008/09 (including AUDA)		<u>\$ 1,999,941,536</u>

Source:  
Placer County Assessor's Office

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

<u>Fiscal Year</u>	<u>Tax Levied Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percent of Levy</u>		<u>Amount</u>	<u>Percent of Levy</u>
2008-09	4,084,946	4,084,946	100.0%	-	4,084,946	100.0%
2009-10	3,923,742	3,923,742	100.0%	-	3,923,742	100.0%
2010-11	3,726,242	3,726,242	100.0%	-	3,726,242	100.0%
2011-12	3,403,509	3,403,509	100.0%	-	3,403,509	100.0%
2012-13	3,520,802	3,520,802	100.0%	-	3,520,802	100.0%
2013-14	3,080,832	3,080,832	100.0%	-	3,080,832	100.0%
2014-15	3,775,327	3,775,327	100.0%	-	3,775,327	100.0%
2015-16	3,773,778	3,773,778	100.0%	-	3,773,778	100.0%
2016-17	4,162,439	4,162,439	100.0%	-	4,162,439	100.0%
2017-18	4,130,230	4,130,230	100.0%	-	4,130,230	100.0%

*Source: Auditor-Controllers 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						Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Percentage of Assessed Value (2)	Per Capita (1)
	Pension Obligation Bonds	Tax Allocation Bonds	Loans and Notes Payable	Due to Other Agencies	Capital Leases	Total	Loans and Notes Payable	Revenue Bonds	Total				
2008-2009	4,775,000	4,530,746	32,570	31,278	93,177	9,462,771	3,987,580	-	3,987,580	13,450,351	3.23%	0.76%	1,010
2009-2010	4,685,000	4,459,169	19,832	29,044	46,269	9,239,314	3,628,100	8,187,914	11,816,014	21,055,328	5.13%	1.23%	1,561
2010-2011	4,575,000	4,387,592	6,710	26,810	38,404	9,034,516	3,263,482	8,036,606	11,300,088	20,334,604	4.63%	1.28%	1,498
2011-2012	4,450,000	-	-	-	29,731	4,479,731	2,893,728	7,885,298	10,779,026	15,258,757	3.11%	0.99%	1,133
2012-2013	4,305,000	-	-	-	610,349	4,915,349	2,178,739	7,728,990	9,907,729	14,823,078	3.19%	0.96%	1,102
2013-2014	4,130,000	-	-	-	453,356	4,583,356	1,845,752	7,567,683	9,413,435	13,996,791	3.12%	0.87%	1,014
2014-2015	3,930,000	-	-	-	293,866	4,223,866	1,507,628	7,401,377	8,909,005	13,132,871	2.66%	0.78%	950
2015-2016	3,700,000	-	-	-	317,329	4,017,329	1,154,807	7,230,070	8,384,877	12,402,206	2.51%	0.68%	881
2016-2017	3,445,000	-	-	-	365,073	3,810,073	824,057	7,020,859	7,844,916	11,654,989	2.25%	0.62%	827
2017-2018	3,160,000	-	-	-	194,005	3,354,005	9,745,678	6,787,411	16,533,089	19,887,094	3.48%	1.03%	1,361

*Notes:*

(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

*Sources:*

Auditor-Controller's Office, County of Placer

Administrative Services Department, City of Auburn

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

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>		<b>Percent of Assessed Value (1)</b>	<b>Population</b>	<b>Per Capita</b>
	<b>Pension Obligation Bonds</b>	<b>Total</b>			
2008-2009	4,775,000	4,775,000	0.27%	13,432	355
2009-2010	4,685,000	4,685,000	0.27%	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
2014-2015	3,930,000	3,930,000	0.23%	13,960	282
2015-2016	3,700,000	3,700,000	0.20%	14,070	263
2016-2017	3,445,000	3,445,000	0.18%	14,096	244
2017-2018	3,160,000	3,160,000	0.16%	14,611	216

*Notes:*

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

*Sources:*

*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, 2018**

City Assessed Valuation		<u>\$ 1,938,127,485</u>	
	<b>Percent</b>	<b>Outstanding Debt</b>	<b>Estimated Share</b>
	<b>Applicable</b>	<b>June 30, 2018</b>	<b>of Overlapping</b>
			<b>Debt</b>
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Placer Union High School District	14.544%	\$ 24,411,873	\$ 3,550,463
<b>Total Overlapping Tax and Assessment Debt</b>		<u>24,411,873</u>	<u>3,550,463</u>
<b>OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>			
Placer County General Fund Obligations	2.767%	\$ 28,395,000	\$ 785,690
Placer County Office of Education Certificates of Participations	2.767%	1,110,000	30,714
Sierra Joint Community college District General Fund Obligations	2.094%	4,770,000	99,884
Placer Union High School District Certificates of Participation	14.544%	1,845,000	268,337
Auburn Union School District Certificates of Participation	40.498%	39,267,117	15,902,397
Loomis Union School District Certificates of Participation	0.005%	1,945,000	97
Placer Mosquito and Vector Control District COPS	2.767%	3,270,000	90,481
<b>Total Overlapping General Fund and Obligation Debt</b>		<u>80,602,117</u>	<u>17,177,600</u>
<b>OVERLAPPING TAX INCREMENT DEBT:</b>			
	100.000%	4,140,000	4,140,000
<b>Total Overlapping Debt</b>		<u>109,153,990</u>	<u>24,868,063</u>
<b>DIRECT GENERAL FUND OBLIGATION DEBT:</b>			
City of Auburn Pension Obligations	100.000%	3,160,000	3,160,000
Capital leases	100.000%	194,005	194,005
<b>Total Direct Debt</b>		<u>3,354,005</u>	<u>3,354,005</u>
<b>Total Combined Debt</b>		<u>\$ 112,507,995</u>	<u>\$ 28,222,068</u>
<b>RATIOS TO 2017/18 ASSESSED VALUATION:</b>			
Total Overlapping Tax and Assessment Debt	0.180%		
<b>RATIOS TO ADJUSTED ASSESSED VALUATION:</b>			
Combined Direct Debt (\$3,354,005)	0.160%		
Combined Total Debt	1.420%		

*Notes:*

*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.*

*Sources:*

*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**  
**As of June 30, 2018**

Secured Property Assessed Value, Net of Exempt Real Property	<u><u>\$ 1,812,740,868</u></u>
Bonded debt limit (3.75% of assessed value) (1)	\$ 67,977,783
Less debt subject to limit:	
Total pension obligation bonds at 6/30/2018	(3,160,000)
Total sewer revenue bonds at 6/30/2018	<u>(6,787,411)</u>
Legal debt margin	<u><u>\$ 58,030,372</u></u>

*Note:*

*(1) 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. This, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.*

*Sources:*

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

**CITY OF AUBURN**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Calendar Year	Population	Personal Income		Taxable Assessed Valuation	Per Capita Taxable Property Values	Average Unemployment Rate
		Total (in ,000's)	Per Capita			
2009	13,313	416,676	31,298	1,999,941,536	148,894	5.2%
2010	13,489	410,670	30,445	1,921,190,548	141,493	8.6%
2011	13,578	438,936	32,327	1,794,952,305	133,852	9.3%
2012	13,468	489,912	36,376	1,745,535,004	129,606	8.7%
2013	13,446	464,519	34,547	1,544,091,854	112,868	5.8%
2014	13,804	448,975	32,525	1,602,949,510	114,155	4.9%
2015	13,817	494,220	35,769	1,693,411,095	117,810	7.3%
2016	14,070	494,271	35,129	1,811,089,845	128,720	5.9%
2017	14,096	518,653	36,794	1,878,486,617	133,264	5.2%
2018	14,611	571,800	39,135	1,938,127,485	132,649	4.2%

*Source: Auditor-Controllers Office, County of Placer  
MuniServices, LLC  
Employment Development Department, State of California*

**CITY OF AUBURN  
PRINCIPAL EMPLOYERS  
2018**

<u>Employer</u>	<u>Fiscal Year 2017/18</u>		<u>Fiscal Year 2008/09</u>
	<u>No. of Employees</u>	<u>Percent of Total Employment</u>	<u>No. of Employees</u>
Placer County Office of Education	417	6.42%	-
Auburn Union School District	165	2.54%	-
Pride Industries	160	2.46%	160
Help At Home Senior Care	150	2.31%	-
Placer County (Domes Offices)	144	2.22%	70
Flyers Energy	120	1.85%	75
Save Mart	110	1.69%	-
Placer Union School District	104	1.60%	-
City of Auburn	78	1.20%	84
Auburn Journal	70	1.08%	90
Placer County Water Agency*	-	-	179
AT&T	-	-	94
Miltenyi Biotech	-	-	50
United States Post Office	-	-	75
Auburn Placer Disposal - Recology*	-	-	85

**Note:**

\* - Placer County Water Agency and Auburn Placer Disposal - Recology are not within City limits.

Source: MuniServices, LLC

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

	<b>As of June 30,</b>											
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City Council	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
City Manager's Office	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Economic Development	-	-	-	-	-	-	-	-	-	-	-	1.0
City Clerk's Office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Finance / Administrative Services	8.0	6.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Community Development	10.0	8.0	6.5	6.5	5.5	5.5	5.5	4.0	3.0	3.0	4.0	4.0
Police Department	36.5	36.0	35.0	30.0	27.0	28.0	28.0	28.0	26.0	26.0	26.5	27.0
Fire Department	13.0	13.0	11.0	11.0	11.0	11.0	16.0	16.0	14.0	14.0	13.5	15.0
Public Works	27.0	21.5	19.5	18.5	18.5	17.5	18.0	18.0	17.0	17.0	18.0	17.0
Airport	1.0	-	-	-	-	-	-	-	-	-	-	-
<b>Total Full-Time Equivalent Employees:</b>	<u>104.0</u>	<u>92.5</u>	<u>84.0</u>	<u>78.0</u>	<u>74.0</u>	<u>74.0</u>	<u>79.5</u>	<u>78.0</u>	<u>72.0</u>	<u>72.0</u>	<u>74.0</u>	<u>75.0</u>

*Source: Administrative Services Department, City of Auburn*

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

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>AUBURN AIRPORT:</b>										
Tie-downs per year	1,034	916	802	884	884	884	884	884	1,007	1,029
Hangar rentals per year	83	80	73	62	62	62	108	108	109	109
Gallons of fuel sold per year	209,467	168,016	134,040	168,422	192,481	169,754	204,299	201,945	206,940	248,927
<b>ENVIRONMENT AND UTILITIES:</b>										
Gallons of wastewater treated per year (in millions)	446	481	612	506	501	423	363	374	494	396
<b>FIRE:</b>										
Fires per year	108	114	114	86	110	136	95	75	120	96
Emergency medical calls per year	1,333	1,377	1,238	1,317	1,377	1,224	1,262	1,175	1,406	1,407
Hazardous materials incidents per year	47	63	51	36	40	29	36	38	59	52
Non-emergency service calls per year	336	314	312	257	297	432	411	481	532	554
<b>POLICE:</b>										
911 calls per year	2,325	2,541	2,665	306	4,442	5,194	4,964	4,780	4,835	4,733
Arrests per year	1,134	825	770	542	689	687	775	535	944	686 (1)
<b>BUILDING PERMITS:</b>										
Building permits issues per year	455	461	660	484	473	528	607	679	665	777
New building and alteration valuation	\$ 12,391,787	\$ 17,084,250	\$ 11,844,465	\$ 10,573,919	\$ 14,845,275	\$ 12,993,989	\$ 18,597,176	\$ 16,251,607	\$ 41,939,654	\$ 34,367,446

Source: City of Auburn  
(1) Criminal cases only.

**CITY OF AUBURN**  
**Capital Asset Statistics**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>AUBURN AIRPORT:</b>										
Terminals (Airport Management Building)	1	1	1	1	1	1	1	1	1	1
Runways	1	1	1	1	1	1	1	1	1	1
Airport hangars	81	81	81	81	81	81	108	108	108	108
<b>ENVIRONMENT AND UTILITIES:</b>										
Miles of municipal sewer mains	62	62	62	62	62	50	50	50	50	50
Maximum daily capacity (gallons per day)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>FIRE:</b>										
Full-time staffed stations	1	1	1	1	1	1	1	1	1	1
Volunteer stations	2	2	2	2	2	2	2	2	2	2
<b>POLICE:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles and motorcycles	27	29	29	29	23	29	29	29	29	29
<b>COMMUNITY DEVELOPMENT:</b>										
Miles of municipal roadways	62	62	62	62	62	62	62	62	62	62
Pocket park sites	11	11	11	11	11	11	11	11	11	11

Source: City of Auburn