



CITY OF AUBURN CALIFORNIA



**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2020**

**CITY OF AUBURN, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AS OF JUNE 30, 2020**

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

CITY OF AUBURN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION





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www.auburn.ca.gov

January 25, 2021

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, 2019 through June 30, 2020. 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 2019-20 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 14,594. 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

The City has been on an upward fiscal recovery since the economic recession of 2008 & 2009. The second half of fiscal year 2019-20 however, proved challenging with the outset of the COVID-19 Global Pandemic and the resulting impacts of "closing" the economy. Even with this challenge, the City continues to maintain responsible levels of General Fund balance and 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. Continued 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. Over the course of the fiscal year, the City realized a net increase in General Fund balance of approximately \$183,000 primarily due to higher property taxes and receipt of a one-time grant towards addressing impacts of Public Safety Power Shutoffs (PSPS), which was unspent during the fiscal year and held in reserves. General Fund balance of \$5.44 million represents 40% of total expenditures incurred for the fiscal year ended June 30, 2020. The City continues positioning itself to improve and enhance its viability in coming years.

Over the last several fiscal years, the California Public Employees Retirement System, or CalPERS, Board has now fully phased in the lowering of the discount rate used to compute total pension liabilities from 7.5% to 7.0%. The impacts of this phase-in, coupled with the recent CalPERS Board decision to begin amortizing portfolio gains and losses and assumption changes over a twenty year period as opposed to the current thirty year period continue to be closely monitored by City staff to mitigate the impacts of potentially increasing costs. The City continues to be responsive to these changes by developing the aforementioned forecast that incorporates these significant cost-drivers into a long-term financial model for the City's General Fund. Additionally, the City is currently exploring opportunities to mitigate future fiscal exposure through the issuance of a pension obligation bond. Nonetheless, 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, 2020 include the following:

- ❖ The Auburn Municipal Airport executed a design grant with the Federal Aviation Administration (FAA) and has started design on the Auburn Municipal Helicopter Parking Area Project which includes construction of four new helicopter parking areas to keep up with current and forecasted helicopter operations at the Airport.
- ❖ The City completed the Nevada Street Pedestrian & Bicycle Facilities Phase II capital improvement project construction in June 2020. Major project components completed include a traffic signal modification at the intersection of Fulweiler Avenue and Nevada Street, roadway widening for 2,600 linear feet of sidewalk, and 2,600 linear feet of Class II Bikeway.
- ❖ The Auburn City Fire Department worked with the community to ensure prevention efforts continued and the safety of the public was upheld. Several fuel reduction

projects were undertaken including participating in the Auburn Community Day with work on the Auburn Ravine Trail.

- ❖ The Auburn Police Department continues to follow the established three year strategic plan with a focus on community outreach and engagement. The Auburn Police Department has seen an increase of almost 50% of followership in social media programs. This fiscal year the Police Department also rolled out the Neighborhood Police Officer program in conjunction with the Nextdoor.com application.
- ❖ The Auburn Police Department prepared for the implementation of a fully-integrated computer-aided dispatch and records management system during fiscal year 2019-20. The work and effort put in by staff throughout this fiscal year ensured a successful implementation as of July 2020. This system has put detailed information and operations at the fingertips of line-staff and management.
- ❖ The Auburn Transit System took delivery of the City's first two all-electric transit vehicles, while installing two fast-charge electric stations at the City's Corporation Yard. This allows the City to significantly reduce the greenhouse gases produced by its transit fleet.

LONG-TERM FINANCIAL PLANNING AND INTIATIVES

Fiscal Summary

The Fiscal Year 2020-21 General Fund Amended Budget is \$13,074,431, representing a decrease of 4.2% over FY 2019-20 actual expenditures. This decrease is primarily attributable to the following factors:

- ✓ Total General Fund capital expenditures are less than the prior year due to exclusion of the annual \$500,000 towards the Overlay Program in FY 2019-20 resulting from the anticipated impacts of the COVID-19 Pandemic on City revenues; and
- ✓ A reduction in planning and building consulting services related to development activity; offset by
- ✓ Higher insurance costs for workers compensation and general liability; and
- ✓ Higher CalPERS pension costs related to the amortization of the unfunded liability.

Revenues:

Sales Tax is the largest single revenue source for the General Fund. FY 2020-21 Sales taxes are anticipated to be \$5.9 million and represent 45% of total General Fund revenues. Collections of sales taxes are expected to be slightly lower during FY 2020-21, solely due to the anticipated impacts of the COVID-19 Pandemic on the economy.

Property Taxes are the second largest revenue source in the General Fund. Assessed valuation (AV) is anticipated to increase this year by approximately 3.2% 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 \$4.3

million in property tax revenue for Fiscal Year 2020-21, representing 33% of total revenues received in the General Fund.

Public Works:

Capital Improvement Projects: The budget adopted for Fiscal Year 2020-21 includes more than \$12.7 million appropriated for all capital projects, the largest project being a \$5.0 million appropriation in the Sewer Fund for the Wastewater Treatment Plan Sludge Dewatering.

As the City continues to strive to identify alternative funding sources for public infrastructure including streets, sidewalks and other public infrastructure, it is expected that a comprehensive Capital Improvement Plan will be developed during FY 2020-21.

Community Development:

Community Development Block Grant Economic Development Loans: The City of Auburn is expected to make a CDBG Economic Development Loan of more than \$300,000 to a qualifying business during FY 2020-21.

Public Safety:

The City continues to fund seven additional firefighter positions during FY 2020-21 to help mitigate increasing threats of wildfires and a means to continue focusing on fire safety programs.

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.

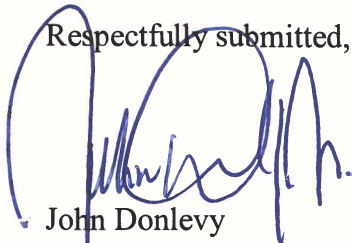
The City continues to meet its responsibility for sound financial management as demonstrated by the statements and schedules included in the financial section of this report.

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,



John Donlevy
City Manager



Andy Heath
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Auburn
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



2020

City of Auburn Comprehensive Annual Financial Report

Project Team

John Donlevy, City Manager

Andy Heath, Finance Director

Administrative Staff

Shari Harris, Human Resources Manager

Christina Shafer, General Ledger Accountant

Special Assistance

Ryan Kinnan, Police Chief

Dave Spencer, Fire Chief

Chris Ciardella, City Engineer

Mengil Deane, Transit / Project Manager

CITY OF AUBURN
ELECTED OFFICIALS AND
ADMINISTRATIVE PERSONNEL

JUNE 30, 2020

ELECTED OFFICIALS

Mayor	Daniel Berlant
Vice Mayor	Matt Spokely
Council Member	Cheryl Maki
Council Member	Sandy Amara
Council Member	Alice Dowdin-Calvillo

ADMINISTRATIVE PERSONNEL

Project Team

City Manager	John Donlevy
Finance/Administrative Services Director	Andy Heath

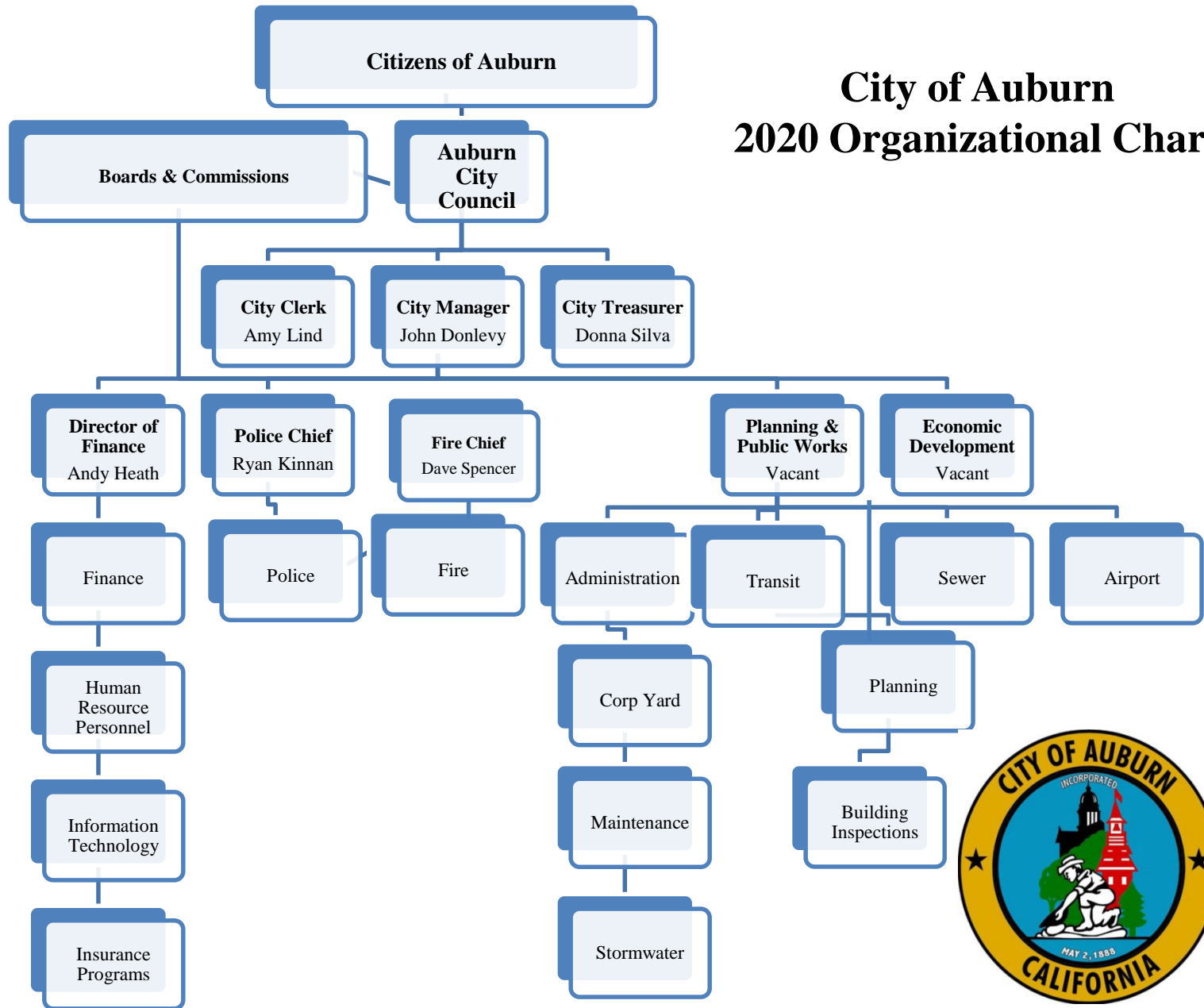
Administrative Staff

Human Resources Manager	Shari Harris
Accountant	Christina Shafer

Special Assistance

Police Chief	Ryan Kinnan
Fire Chief	Dave Spencer
Planning & Public Works Director	Vacant

City of Auburn 2020 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, 2020, 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, 2020, 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 total 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 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 January 15, 2021, 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.

Mann, Winters, Nelson CPA's

Sacramento, California
January 15, 2021

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

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, 2020. 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 2019-20

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by \$50,240,048 (total net position). Of this amount, there is an unrestricted net position of \$2,426,180 to meet long-term and ongoing obligations to citizens, employees and creditors. There is \$1,878,673 restricted for public safety programs, street maintenance and construction, fire protection services, community development and capital projects.
- As of June 30, 2020, the City governmental funds reported combined fund balances of \$7,528,936. Approximately \$4,921,105 of the combined fund balances, or 65%, is available to meet the City's current and future needs (committed and unassigned fund balance).
- An annual surplus of \$182,521 was realized in the City's General fund during the fiscal year. Total General fund balance as of June 30, 2020 was \$5,437,487.

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, 2020

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, 2020

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 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
Statements of Net Position
As of June 30, 2020 and 2019
(in thousands)

	Governmental Activities			Business-Type Activities			Total Government		
	2020	2019	Net Change	2020	2019	Net Change	2020	2019	Net Change
ASSETS									
Current and other assets	\$ 14,130	\$ 12,746	\$ 1,384	\$ 16,711	\$ 14,511	\$ 2,200	\$ 30,841	\$ 27,257	\$ 3,584
Capital assets	<u>22,502</u>	<u>18,896</u>	<u>3,606</u>	<u>38,102</u>	<u>39,817</u>	<u>(1,715)</u>	<u>60,604</u>	<u>58,713</u>	<u>1,891</u>
Total Assets	<u>36,632</u>	<u>31,642</u>	<u>4,990</u>	<u>54,813</u>	<u>54,328</u>	<u>485</u>	<u>91,445</u>	<u>85,970</u>	<u>5,475</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>4,552</u>	<u>4,236</u>	<u>316</u>	<u>1,164</u>	<u>1,277</u>	<u>(113)</u>	<u>5,716</u>	<u>5,513</u>	<u>203</u>
LIABILITIES									
Current and other liabilities	5,366	2,959	2,407	1,017	882	135	6,383	3,841	2,542
Long-term liabilities	<u>22,783</u>	<u>20,898</u>	<u>1,885</u>	<u>16,252</u>	<u>17,028</u>	<u>(776)</u>	<u>39,035</u>	<u>37,926</u>	<u>1,109</u>
Total Liabilities	<u>28,149</u>	<u>23,857</u>	<u>4,292</u>	<u>17,269</u>	<u>17,910</u>	<u>(641)</u>	<u>45,418</u>	<u>41,767</u>	<u>3,651</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,365</u>	<u>1,157</u>	<u>208</u>	<u>140</u>	<u>170</u>	<u>(30)</u>	<u>1,505</u>	<u>1,327</u>	<u>178</u>
NET POSITION									
Net investment in capital assets	22,361	18,768	3,593	23,574	24,668	(1,094)	45,935	43,436	2,499
Restricted	<u>1,879</u>	<u>2,123</u>	<u>(244)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,879</u>	<u>2,123</u>	<u>(244)</u>
Unrestricted	<u>(12,570)</u>	<u>(10,028)</u>	<u>(2,542)</u>	<u>14,996</u>	<u>12,857</u>	<u>2,139</u>	<u>2,426</u>	<u>2,829</u>	<u>(403)</u>
Total Net Position	<u>\$ 11,670</u>	<u>\$ 10,863</u>	<u>\$ 807</u>	<u>\$ 38,570</u>	<u>\$ 37,525</u>	<u>\$ 1,045</u>	<u>\$ 50,240</u>	<u>\$ 48,388</u>	<u>\$ 1,852</u>

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Governmental Activities

The City's governmental net position amounted to \$11.7 million as of June 30, 2020, an increase of approximately \$807 thousand over the fiscal year ended June 30, 2019. This increase 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, 2020, is comprised of the following:

- Cash and investments comprised \$8,380,435 in the City treasury, \$105,424 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, interest, taxes and intergovernmental receivables comprised \$3,254,018, a decrease of \$(156,089) over the previous year.
- Loans receivable comprised \$2,229,548, 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 \$22,501,670, 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 \$4,371,691.
- A net pension liability of \$17,668,702 and net OPEB liability of \$2,182,643.
- Long-term liabilities comprised \$3,926,197, which includes Pension Obligation Bond Series A-1, issued in 2006.
- Net position invested in capital assets net of related debt of \$22.4 million, a slight increase over the previous year (\$18.8 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 \$1.9 million which may be used only to construct specified capital projects or for public safety programs, street maintenance and construction, 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 \$(12,569,667) as of June 30, 2020. This is due to long-term pension obligations and long-term OPEB obligations that are now shown in the financial statements per GASB No. 68 and No. 75, respectively.

Business-Type Activities

- Cash and investments comprised \$16,238,891 in the City Treasury, \$23,550 of which is restricted in use as detailed in Note 2 to the financial statements.
- Current accounts, taxes and intergovernmental receivables comprised \$472,580.
- Total capital assets of \$38,102,347, net of accumulated depreciation.
- Current liabilities, including accounts and interest payable, and deposits, comprised \$364,963.
- A net pension liability of \$1,276,277 and net OPEB liability of \$117,260.
- Long-term liabilities comprised \$15,510,243.
- Net position invested in capital assets net of related debt of \$23.6 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 \$14,995,847.

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Table 2
Changes in Net Position
For the Years Ended June 30, 2020 and 2019
(in thousands)

	Governmental Activities			Business-Type Activities			Total Government		
	2020	2019	Net Change	2020	2019	Net Change	2020	2019	Net Change
REVENUES									
Program revenues									
Charges for services	\$ 1,323	\$ 1,287	\$ 36	\$ 7,268	\$ 7,391	\$ (123)	\$ 8,591	\$ 8,678	\$ (87)
Operating grants and contributions	4,166	2,335	1,831	70	325	(255)	4,236	2,660	1,576
Capital grants and contributions	2,325	-	2,325	-	2,903	(2,903)	2,325	2,903	(578)
General revenues									
Taxes	11,551	11,302	249	56	92	(36)	11,607	11,394	213
Interest and investment loss	93	93	-	174	92	82	267	185	82
Other revenue	218	326	(108)	1	13	(12)	219	339	(120)
Transfers	44	30	14	(44)	(30)	(14)	-	-	-
Total Revenues	<u>19,720</u>	<u>15,373</u>	<u>4,347</u>	<u>7,525</u>	<u>10,786</u>	<u>(3,261)</u>	<u>27,245</u>	<u>26,159</u>	<u>1,086</u>
EXPENSES									
Governmental activities									
General government	4,149	3,133	1,016	-	-	-	4,149	3,133	1,016
Public safety	9,624	8,047	1,577	-	-	-	9,624	8,047	1,577
Transportation	3,184	3,366	(182)	-	-	-	3,184	3,366	(182)
Community development	1,784	1,810	(26)	-	-	-	1,784	1,810	(26)
Interest on long-term liabilities	172	188	(16)	-	-	-	172	188	(16)
Airport	-	-	-	1,070	976	94	1,070	976	94
Sewer	-	-	-	5,413	5,109	304	5,413	5,109	304
Total Expenses	<u>18,913</u>	<u>16,544</u>	<u>2,369</u>	<u>6,483</u>	<u>6,085</u>	<u>398</u>	<u>25,396</u>	<u>22,629</u>	<u>2,767</u>
Change in net position	<u>807</u>	<u>(1,171)</u>	<u>1,978</u>	<u>1,042</u>	<u>4,701</u>	<u>(3,659)</u>	<u>1,849</u>	<u>3,530</u>	<u>(1,681)</u>
Net position - beginning of year	10,864	11,794	(930)	37,525	32,824	4,701	48,389	44,618	3,771
Restatement	-	239	(239)	-	-	-	-	239	(239)
Net position - beginning of year, restated	<u>10,864</u>	<u>12,033</u>	<u>(1,169)</u>	<u>37,525</u>	<u>32,824</u>	<u>4,701</u>	<u>48,389</u>	<u>44,857</u>	<u>3,532</u>
Net position - end of year	<u>\$ 11,671</u>	<u>\$ 10,862</u>	<u>\$ 809</u>	<u>\$ 38,567</u>	<u>\$ 37,525</u>	<u>\$ 1,042</u>	<u>\$ 50,238</u>	<u>\$ 48,387</u>	<u>\$ 1,851</u>

Governmental Activities

Governmental activities net position increased to \$11,670,146 during fiscal year 2019-20.

As Table 2 above shows, \$7,813,691 of the City's fiscal year 2019-20 revenue is derived from program revenues, while \$11,906,932 is derived from general revenues such as taxes, rents and interest.

Program revenues are composed of fees and charges for services of \$1,322,625 that include permit revenues, fees and charges used to fund expenses incurred in providing services; and \$4,165,575 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, 2020

Business-Type Activities

Business-type activities net position increased to \$38,569,902 during fiscal year 2019-20.

Net position in the City's Airport fund decreased by \$(255,838) during fiscal year 2019-20. The decrease is primarily attributable to a decrease in grant revenues in the current year.

Net position in the City's Sewer fund increased \$1,300,916 during fiscal year 2019-20. The increase is primarily attributed to lower-than-anticipated capital expenditures during fiscal year 2019-20 - the majority of which will be undertaken in fiscal year 2020-21.

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, 2020 and 2019
(in thousands)

	2020		2019		Variance	% Change
	Amount	% of Total	Amount	% of Total		
Taxes	\$ 11,552,136	57.8 %	\$ 11,302,835	72.9 %	\$ 249,301	2.2 %
Licenses and permits	415,981	2.1 %	510,005	3.3 %	(94,024)	(18.4)%
Fines and forfeitures	228,308	1.1 %	206,888	1.3 %	21,420	10.4 %
Use of money and property	428,990	2.2 %	409,025	2.6 %	19,965	4.9 %
Intergovernmental	6,755,158	33.9 %	2,533,044	16.3 %	4,222,114	166.7 %
Charges for services	314,094	1.6 %	225,133	1.4 %	88,961	39.5 %
Other revenues	<u>241,439</u>	<u>1.2 %</u>	<u>347,350</u>	<u>2.2 %</u>	<u>(105,911)</u>	<u>(30.5)%</u>
	<u>\$ 19,936,106</u>	<u>99.9 %</u>	<u>\$ 15,534,280</u>	<u>100.0 %</u>	<u>\$ 4,401,826</u>	<u>28.3 %</u>

Collections of taxes increased by \$249,301, primarily due to an increase in property taxes related to increased assessed valuations recognized in FY 2019-20.

Collections of licenses and permits decreased by \$94,024 due primarily to a decrease in development-related revenues compared to the prior year.

Collections of fines, forfeitures and penalties increased by \$21,420 due to higher collections of traffic and civil fines.

Collections of intergovernmental revenues increased by \$4,222,114 million due to collections of transportation-related revenues from various sources related to the Nevada Street Sidewalk Project.

Collections of charges for services increased by \$88,961 primarily due to increased plan check fees collected compared to the prior year.

Collections of other revenues decreased by \$105,911.

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Revenues by Source
Governmental Funds

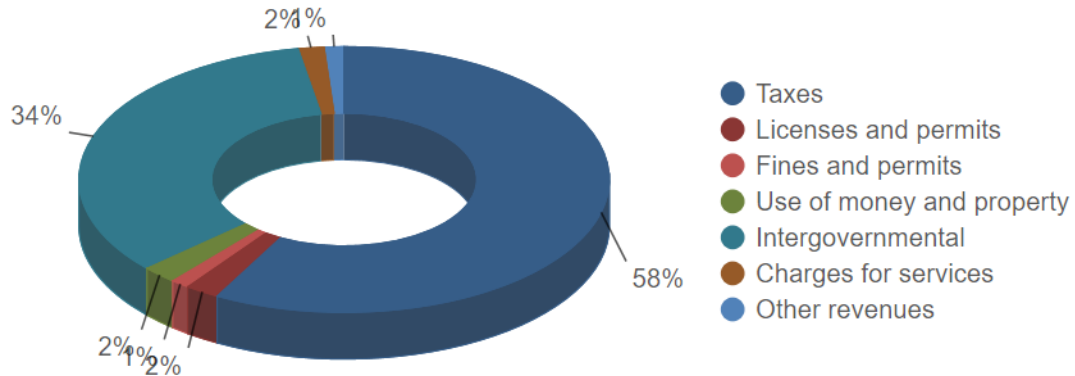


Table 4
Expenditures by Function
Governmental Funds
For the Years Ended June 30, 2020 and 2019
(in thousands)

	2020		2019		Variance	% Change
	Amount	% of Total	Amount	% of Total		
General government	\$ 3,238,045	15.7 %	\$ 2,973,325	19.7 %	\$ 264,720	8.9 %
Public safety	7,757,942	37.5 %	7,034,311	46.6 %	723,631	10.3 %
Transportation	2,014,897	9.7 %	2,079,268	13.8 %	(64,371)	(3.1)%
Community development	1,153,276	5.6 %	1,058,650	7.0 %	94,626	8.9 %
Capital outlay	5,923,844	28.6 %	1,456,612	9.6 %	4,467,232	306.7 %
Debt service: principal	442,822	2.1 %	320,000	2.1 %	122,822	38.4 %
Debt service: interest	172,189	0.8 %	187,538	1.2 %	(15,349)	(8.2)%
	<u>\$ 20,703,015</u>	<u>100.0 %</u>	<u>\$ 15,109,704</u>	<u>100.0 %</u>	<u>\$ 5,593,311</u>	<u>37.0 %</u>

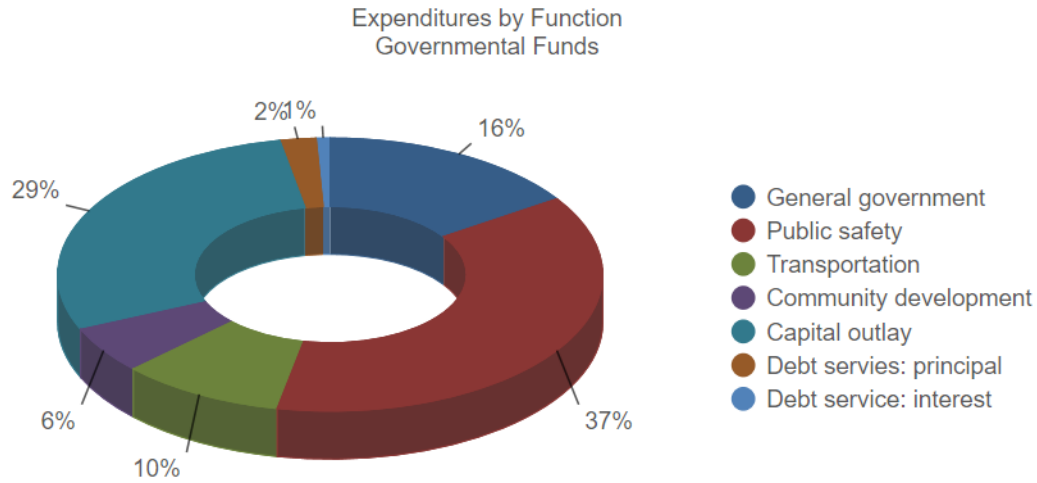
The \$5,593,311 increase in governmental fund expenditures during the fiscal year 2019-20 can be primarily attributed to the following:

A \$4.47 million increase in capital outlay primarily related to expenditures incurred towards the Nevada Street Sidewalk Project;

A \$724,000 increase in public safety expenditures primarily related to the addition of seven firefighters to the City's workforce; and

A \$265,000 increase in general government expenditures related to higher insurance and CalPERS pension costs..

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020



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 increase in total revenues of \$493,513 or 3.8%. This increase can be attributed to higher overall collections of property taxes and other intergovernmental revenues including funds received from the State towards the purchase of PSPS (Public Safety Power Shutoff) mitigation equipment; and grant revenues received from the County and the State towards public safety programs. The General Fund experienced an overall increase in expenditures of \$415,806 or 3.3%. This increase can be attributed to higher public safety and general government costs; offset by decreases in transportation and direct capital outlay.

At June 30, 2020, the General Fund fund balance was \$5,437,487 of which \$5,176,949 is committed for economic uncertainty or unassigned. The total fund balance decreased by \$182,521 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 40% 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, 2020 and 2019
(in thousands)

	2020		2019		Variance	% Change
	Amount	% of Total	Amount	% of Total		
Taxes	\$ 11,358,888	84.5 %	\$ 11,143,989	86.2 %	\$ 214,899	1.9 %
Licenses and permits	393,981	2.9 %	466,591	3.6 %	(72,610)	(15.6)%
Fines and forfeitures	228,308	1.7 %	206,888	1.6 %	21,420	10.4 %
Use of money and property	397,437	3.0 %	389,322	3.0 %	8,115	2.1 %
Intergovernmental	763,441	5.7 %	507,328	3.9 %	256,113	50.5 %
Charges for services	205,393	1.5 %	147,268	1.1 %	58,125	39.5 %
Other revenues	90,628	0.7 %	83,177	0.6 %	7,451	9.0 %
	<u>\$ 13,438,076</u>	<u>100.0 %</u>	<u>\$ 12,944,563</u>	<u>100.0 %</u>	<u>\$ 493,513</u>	<u>3.8 %</u>

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Table 6
General Fund Expenditures by Function
For the Years Ended June 30, 2020 and 2019
(in thousands)

	2020		2019		Variance	% Change
	Amount	% of Total	Amount	% of Total		
General government	\$ 3,237,823	24.9 %	\$ 2,972,962	23.6 %	\$ 264,861	8.9 %
Public safety	6,849,464	52.9 %	6,473,061	51.6 %	376,403	5.8 %
Transportation	1,007,102	7.8 %	1,127,143	9.0 %	(120,041)	(10.7)%
Community development	1,129,999	8.7 %	1,041,028	8.3 %	88,971	8.5 %
Capital outlay	211,262	1.6 %	420,194	3.4 %	(208,932)	(49.7)%
Debt service: principal	360,000	2.8 %	320,000	2.6 %	40,000	12.5 %
Debt service: interest	162,082	1.3 %	187,538	1.5 %	(25,456)	(13.6)%
	<u>\$ 12,957,732</u>	<u>100.0 %</u>	<u>\$ 12,541,926</u>	<u>100.0 %</u>	<u>\$ 415,806</u>	<u>3.3 %</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, 2020 and 2019
(in thousands)

	2020		2019		Variance	% Change
	Amount	% of Total	Amount	% of Total		
Operating revenues:						
Charges for services	\$ 7,268,404	96.1 %	\$ 7,391,147	68.5 %	\$ (122,743)	(1.7)%
Other operating revenues	894	- %	12,623	0.1 %	(11,729)	(92.9)%
Non-operating revenues:						
Taxes	56,062	0.7 %	91,565	0.8 %	(35,503)	(38.8)%
Intergovernmental	70,385	0.9 %	3,228,018	29.8 %	(3,157,633)	(97.8)%
Interest	174,414	2.3 %	91,790	0.8 %	82,624	90.0 %
	<u>\$ 7,570,159</u>	<u>100.0 %</u>	<u>\$ 10,815,143</u>	<u>100.0 %</u>	<u>\$ (3,244,984)</u>	<u>(30.0)%</u>

Total revenues for business-type activities decreased \$3,244,984 during the year. This decrease is primarily due to a one-time receipt of grant funding (forgiven loan proceeds) related to the Sewer Fund Oxidation Ditch project in FY 2018-19.

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

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

	2020		2019		Variance	% Change
	Amount	% of Total	Amount	% of Total		
Operating expenses:						
Salaries and benefits	\$ 528,077	8.1 %	\$ 896,122	14.7 %	\$ (368,045)	(41.1)%
Services and supplies	2,719,409	41.6 %	2,615,814	42.7 %	103,595	4.0 %
Maintenance	719,577	11.0 %	383,653	6.3 %	335,924	87.6 %
Depreciation	2,203,793	33.8 %	1,827,014	29.9 %	376,779	20.6 %
Non-operating expenses						
Interest and amortization	310,400	4.8 %	361,521	5.9 %	(51,121)	(14.1)%
Transfers	<u>43,825</u>	<u>0.7 %</u>	<u>30,424</u>	<u>0.5 %</u>	<u>13,401</u>	<u>44.0 %</u>
	<u>\$ 6,525,081</u>	<u>100.0 %</u>	<u>\$ 6,114,548</u>	<u>100.0 %</u>	<u>\$ 410,533</u>	<u>6.7 %</u>

The \$410,533 net increase in proprietary fund expenses during the fiscal year can be primarily attributed to the following:

- A \$368,045 decrease in salaries and benefits due to lower GASB 68 adjustment (non-cash) related to future pension costs.
- A \$103,595 increase in services and supplies related to increased sewer system and airport operating costs.
- A \$335,924 increase in maintenance expenses related to higher sewer capital and maintenance costs.
- A \$376,779 increase in depreciation.

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

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, 2020 totaled \$60,604,017 (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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ -	\$ -	\$ 2,874,395	\$ 2,874,395	\$ 2,874,395	\$ 2,874,395
Construction in progress	6,015,927	1,253,239	2,004,618	1,595,236	8,020,545	2,848,475
Infrastructure	7,437,708	7,437,708	38,257,376	38,257,376	45,695,084	45,695,084
Buildings and improvements	6,389,369	6,347,652	-	-	6,389,369	6,347,652
Equipment	8,138,054	7,592,530	15,750,634	15,670,587	23,888,688	23,263,117
Land improvements	15,032,468	15,032,468	-	-	15,032,468	15,032,468
Accumulated depreciation	(20,511,856)	(18,767,717)	(20,784,676)	(18,580,883)	(41,296,532)	(37,348,600)
Total	<u>\$ 22,501,670</u>	<u>\$ 18,895,880</u>	<u>\$ 38,102,347</u>	<u>\$ 39,816,711</u>	<u>\$ 60,604,017</u>	<u>\$ 58,712,591</u>

Debt Administration

The City's total long-term debt for governmental activities decreased by \$194,345 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 decreased \$665,732 primarily due to 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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Pension obligation bonds	\$ 2,480,000	\$ 2,840,000	\$ -	\$ -	\$ 2,480,000	\$ 2,840,000
Loans payable	-	-	9,086,006	9,502,925	9,086,006	9,502,925
Revenue bonds	-	-	6,300,514	6,548,963	6,300,514	6,548,963
Capital leases	140,530	127,698	-	-	140,530	127,698
Compensated absences	<u>1,305,667</u>	<u>1,152,844</u>	<u>123,723</u>	<u>124,087</u>	<u>1,429,390</u>	<u>1,276,931</u>
Total	<u>\$ 3,926,197</u>	<u>\$ 4,120,542</u>	<u>\$ 15,510,243</u>	<u>\$ 16,175,975</u>	<u>\$ 19,436,440</u>	<u>\$ 20,296,517</u>

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

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 2019. Subsequent to the adoption of the annual budget, the budget was reviewed in February 2020 and necessary budget adjustments were approved by the City Council.

For the General Fund, the original FY 2019-20 budget was approved on June 24, 2019, and estimated approximately \$12 million in revenue and sources and allocated \$11.9 million in appropriations. In April 2020, the General Fund budget was updated, adjusting anticipated revenues in the General Fund to \$13.4 million while appropriations were updated to \$13.4 million with an implied surplus of \$75,000 in General Fund Balance. Ultimately, at the close of the fiscal year, revenues were \$13.8 million and appropriations were \$13.6 million, leading to a surplus of \$183,000 in available fund balance. It should be noted that budgeted revenues were adjusted upward at mid-year consistent with a large increase in sales tax primarily due to the impacts of the Wayfair Decision and the impacts of collecting sales tax on internet-based activity; and increased collections of PSPS and other one-time collections of public safety-related grants. Adjustments were also made consistent with anticipated impacts of the COVID-19 pandemic on revenue collections.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The budget developed for FY 2020-21 was adopted by the City Council on June 22, 2020 and then amended on October 26, 2020. The General Fund budget amended by the City Council anticipates \$13.1 million in revenues and \$13.1 million in expenditures, essentially a balanced budget. The City will continue to closely monitor economic activity along with actions taken by regional and state governments that may impact the City budget.

Although property taxes will grow in fiscal year 2021-22, sales taxes are estimated to be slightly lower than those collected in fiscal year 2019-20 as the COVID-19 pandemic continues to impact certain revenue streams. Development activity is estimated to be unchanged from fiscal year 2019-20; and collections of one-time grants and other related revenues have been removed from the budget. The FY 2020-21 General Fund budget also anticipates increasing expenditures for scheduled salary, medical benefit and pension cost increases; and discontinues the appropriation of \$500,000 towards the City's Street Overlay Program for one year due to the COVID-19 pandemic impact on revenues.

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 for contact information.

CITY OF AUBURN
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments (Note 2)	\$ 8,275,011	\$ 16,215,341	\$ 24,490,352
Receivables:			
Accounts	1,681,812	281,616	1,963,428
Interest	11,821	-	11,821
Taxes	1,560,385	-	1,560,385
Intergovernmental	-	23,891	23,891
Prepaid items	266,174	167,073	433,247
Loans receivable	2,229,548	-	2,229,548
Restricted cash and investments (Note 2)	105,424	23,550	128,974
Capital assets (Note 3):			
Non-depreciable	6,015,927	4,879,013	10,894,940
Depreciable, net	16,485,743	33,223,334	49,709,077
Total capital assets	<u>22,501,670</u>	<u>38,102,347</u>	<u>60,604,017</u>
Total Assets	<u>36,631,845</u>	<u>54,813,818</u>	<u>91,445,663</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred amount on bond refunding (Note 6)	-	858,228	858,228
Changes in the total OPEB liability (Note 10)	458,173	27,117	485,290
Changes in the net pension liability (Note 9)	<u>4,094,318</u>	<u>279,105</u>	<u>4,373,423</u>
Total Deferred Outflows of Resources	<u>4,552,491</u>	<u>1,164,450</u>	<u>5,716,941</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	4,151,173	310,180	4,461,353
Unearned revenue	115,094	-	115,094
Accrued interest payable	-	31,233	31,233
Deposits payable	105,424	23,550	128,974
Long-term liabilities (Note 5):			
Due within one year	994,412	652,140	1,646,552
Due in more than one year	2,931,785	14,858,103	17,789,888
Total OPEB liability (Note 10):			
Due in more than one year	2,182,643	117,260	2,299,903
Net pension liability (Note 9):			
Due in more than one year	<u>17,668,702</u>	<u>1,276,277</u>	<u>18,944,979</u>
Total Liabilities	<u>28,149,233</u>	<u>17,268,743</u>	<u>45,417,976</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Changes in the total OPEB liability (Note 10)	143,977	12,120	156,097
Changes in the net pension liability (Note 9)	<u>1,220,980</u>	<u>127,503</u>	<u>1,348,483</u>
Total Deferred Inflows of Resources	<u>1,364,957</u>	<u>139,623</u>	<u>1,504,580</u>
<u>NET POSITION</u>			
Net investment of capital assets	22,361,140	23,574,055	45,935,195
Restricted for:			
Public safety	79,375	-	79,375
Street maintenance and construction	506,247	-	506,247
Fire protection services	3,480	-	3,480
Community development	386,328	-	386,328
Capital projects	903,243	-	903,243
Unrestricted	<u>(12,569,667)</u>	<u>14,995,847</u>	<u>2,426,180</u>
Total Net Position	<u>\$ 11,670,146</u>	<u>\$ 38,569,902</u>	<u>\$ 50,240,048</u>

See accompanying notes to the basic financial statements.

CITY OF AUBURN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 4,148,533	\$ 643,313	\$ 57,483	\$ -	\$ (3,447,737)	\$ -	\$ (3,447,737)
Public safety	9,624,437	238,568	969,406	-	(8,416,463)	-	(8,416,463)
Transportation	3,184,476	413,500	3,138,686	2,325,491	2,693,201	-	2,693,201
Community development	1,784,400	27,244	-	-	(1,757,156)	-	(1,757,156)
Interest and fiscal charges	172,189	-	-	-	(172,189)	-	(172,189)
Total governmental activities	<u>18,914,035</u>	<u>1,322,625</u>	<u>4,165,575</u>	<u>2,325,491</u>	<u>(11,100,344)</u>	<u>-</u>	<u>(11,100,344)</u>
Business-type activities:							
Airport	1,068,671	677,914	70,385	-	-	(320,372)	(320,372)
Sewer	5,412,585	6,590,490	-	-	-	1,177,905	1,177,905
Total business-type activities	<u>6,481,256</u>	<u>7,268,404</u>	<u>70,385</u>	<u>-</u>	<u>-</u>	<u>857,533</u>	<u>857,533</u>
Total primary government	<u>\$ 25,395,291</u>	<u>\$ 8,591,029</u>	<u>\$ 4,235,960</u>	<u>\$ 2,325,491</u>	<u>(11,100,344)</u>	<u>857,533</u>	<u>(10,242,811)</u>
General revenues:							
Taxes:							
Property taxes					4,319,190	56,062	4,375,252
Sales and use taxes					6,064,994	-	6,064,994
Franchise taxes					813,766	-	813,766
Transient occupancy tax					280,917	-	280,917
Other taxes					73,269	-	73,269
Interest and investment income					93,338	174,414	267,752
Miscellaneous					217,633	894	218,527
Transfers (Note 4)					<u>43,825</u>	<u>(43,825)</u>	<u>-</u>
Total general revenues and transfers					<u>11,906,932</u>	<u>187,545</u>	<u>12,094,477</u>
Change in net position					806,588	1,045,078	1,851,666
Net position - July 1, 2019					<u>10,863,558</u>	<u>37,524,824</u>	<u>48,388,382</u>
Net position - June 30, 2020					<u>\$ 11,670,146</u>	<u>\$ 38,569,902</u>	<u>\$ 50,240,048</u>

See accompanying notes to the basic financial statements.

CITY OF AUBURN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General Fund</u>	<u>Transportation</u>	<u>HOME Housing Rehabilitation & First Time Homebuyer</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and investments (Note 2)	\$ 6,048,489	\$ 342,260	\$ 7,455	\$ 1,876,807	\$ 8,275,011
Receivables:					
Accounts	300,991	953,617	-	427,204	1,681,812
Interest	9,448	-	11	2,362	11,821
Taxes	1,560,385	-	-	-	1,560,385
Due from other funds (Note 4)	218,229	230,704	-	-	448,933
Prepaid items and supplies	260,538	-	-	5,636	266,174
Restricted cash and investments (Note 2)	105,424	-	-	-	105,424
Loans receivable	-	-	2,155,653	73,895	2,229,548
Total Assets	<u>\$ 8,503,504</u>	<u>\$ 1,526,581</u>	<u>\$ 2,163,119</u>	<u>\$ 2,385,904</u>	<u>\$ 14,579,108</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 2,917,516	\$ 1,067,202	\$ 3,861	\$ 162,594	\$ 4,151,173
Unearned revenue	43,077	-	-	72,017	115,094
Deposits payable	105,424	-	-	-	105,424
Due to other funds (Note 4)	-	-	-	448,933	448,933
Total Liabilities	<u>3,066,017</u>	<u>1,067,202</u>	<u>3,861</u>	<u>683,544</u>	<u>4,820,624</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	2,155,653	73,895	2,229,548
FUND BALANCES (DEFICITS)					
Nonspendable for:					
Prepaid costs	260,538	-	-	5,636	266,174
Restricted	-	459,379	3,605	1,878,673	2,341,657
Committed to:					
Economic uncertainty	2,661,186	-	-	-	2,661,186
Unassigned	2,515,763	-	-	(255,844)	2,259,919
Total Fund Balances (Deficits)	<u>5,437,487</u>	<u>459,379</u>	<u>3,605</u>	<u>1,628,465</u>	<u>7,528,936</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 8,503,504</u>	<u>\$ 1,526,581</u>	<u>\$ 2,163,119</u>	<u>\$ 2,385,904</u>	<u>\$ 14,579,108</u>

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, 2020

Total fund balances reported on the governmental funds balance sheet	\$ 7,528,936
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 of \$43,013,526, net of accumulated depreciation of \$20,511,856, used in governmental activities are not financial resources and therefore are not reported in the funds.	22,501,670
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	2,229,548
Deferred outflows related to changes in the total OPEB liability are not reported in the governmental funds	458,173
Deferred outflows related to changes in the net pension liability are not reported in the governmental funds	4,094,318
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Pension obligation bonds	(2,480,000)
Capital lease obligations payable	(140,530)
Compensated absences	(1,305,667)
Total OPEB liability	(2,182,643)
Net pension liability	(17,668,702)
Deferred inflows related to changes in the net OPEB liability	(143,977)
Deferred inflows related to changes in the net pension liability	<u>(1,220,980)</u>
Net position of governmental activities	\$ <u><u>11,670,146</u></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, 2020

	<u>General Fund</u>	<u>Transportation</u>	<u>HOME Housing Rehabilitation & First Time Homebuyer</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>					
Taxes and assessments	\$ 11,358,888	\$ -	\$ -	\$ 193,248	\$ 11,552,136
Licenses and permits	393,981	-	-	22,000	415,981
Fines and forfeitures	228,308	-	-	-	228,308
Use of money and property	397,437	832	96	30,625	428,990
Intergovernmental	763,441	4,109,332	-	1,882,385	6,755,158
Charges for service	205,393	-	-	108,701	314,094
Other revenues	<u>90,628</u>	<u>-</u>	<u>1,730</u>	<u>149,081</u>	<u>241,439</u>
Total Revenues	<u>13,438,076</u>	<u>4,110,164</u>	<u>1,826</u>	<u>2,386,040</u>	<u>19,936,106</u>
<u>EXPENDITURES</u>					
Current operations:					
General government	3,237,823	-	-	222	3,238,045
Public safety	6,849,464	-	-	908,478	7,757,942
Transportation	1,007,102	92,984	-	914,811	2,014,897
Community development	1,129,999	-	4,983	18,294	1,153,276
Debt service:					
Principal	360,000	-	-	82,822	442,822
Interest and fiscal charges	162,082	-	-	10,107	172,189
Capital outlay	<u>211,262</u>	<u>5,039,746</u>	<u>-</u>	<u>672,836</u>	<u>5,923,844</u>
Total Expenditures	<u>12,957,732</u>	<u>5,132,730</u>	<u>4,983</u>	<u>2,607,570</u>	<u>20,703,015</u>
Excess (deficiency) of revenues over expenditures	<u>480,344</u>	<u>(1,022,566)</u>	<u>(3,157)</u>	<u>(221,530)</u>	<u>(766,909)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from capital lease	95,654	-	-	-	95,654
Transfers in	272,476	500,000	-	165,953	938,429
Transfers out	<u>(665,953)</u>	<u>-</u>	<u>-</u>	<u>(228,651)</u>	<u>(894,604)</u>
Total Other Financing Sources (Uses)	<u>(297,823)</u>	<u>500,000</u>	<u>-</u>	<u>(62,698)</u>	<u>139,479</u>
Net change in fund balances	182,521	(522,566)	(3,157)	(284,228)	(627,430)
Fund balance - July 1, 2019	<u>5,254,966</u>	<u>981,945</u>	<u>6,762</u>	<u>1,912,693</u>	<u>8,156,366</u>
Fund balance - June 30, 2020	<u>\$ 5,437,487</u>	<u>\$ 459,379</u>	<u>\$ 3,605</u>	<u>\$ 1,628,465</u>	<u>\$ 7,528,936</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, 2020

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	\$ (627,430)
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	5,349,929
Depreciation expense	(1,744,139)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
Pension obligation bond principal payments	360,000
Capital lease obligation principal payments	82,822
Debt issuances are an other financing source in governmental funds, but an increase in long-term liabilities in the Statement of Net Position:	
Proceeds from capital lease	(95,654)
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	(23,806)
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	(152,823)
Change in total OPEB liability	(547,814)
Change in net pension liability	(1,667,557)
OPEB expense related to deferred outflows and inflows of resources	409,087
Pension expense related to deferred outflows and inflows of resources	(300,525)
Some revenues reported in the Statement of Activities will not be collected for several months after the City's year-end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds. Some revenues reported in the prior year Statement of Activities were recognized in the governmental funds in the current year (\$264,092).	<u>(264,092)</u>
Change in net position of governmental activities	<u>\$ 806,588</u>

See accompanying notes to the basic financial statements.

CITY OF AUBURN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-type Activities		
	Airport	Sewer	Totals
ASSETS			
Current assets:			
Cash and investments (Note 2)	\$ 1,901,060	\$ 14,314,281	\$ 16,215,341
Receivables:			
Accounts	21,357	260,259	281,616
Interest	2,858	21,033	23,891
Prepays and supplies	-	167,073	167,073
Total Current Assets	1,925,275	14,762,646	16,687,921
Non-current assets:			
Restricted cash and investments (Note 2)	23,550	-	23,550
Capital assets (Note 3):			
Non-depreciable	3,884,620	994,393	4,879,013
Depreciable, net	5,643,023	27,580,311	33,223,334
Total capital assets net	9,527,643	28,574,704	38,102,347
Total Non-Current Assets	9,551,193	28,574,704	38,125,897
Total Assets	11,476,468	43,337,350	54,813,818
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on bond refunding (Note 6)	-	858,228	858,228
Changes in total OPEB liability (Note 10)	-	27,117	27,117
Changes in net pension liability (Note 9)	-	279,105	279,105
Total Deferred Outflows of Resources	-	1,164,450	1,164,450
LIABILITIES			
Current liabilities:			
Accounts payable	38,588	271,592	310,180
Deposits payable	23,550	-	23,550
Accrued interest payable	-	31,233	31,233
Accrued compensated absences - current (Note 5)	-	12,981	12,981
Loans payable - current (Note 5)	-	385,711	385,711
Bonds payable - current (Note 5)	-	253,448	253,448
Total Current Liabilities	62,138	954,965	1,017,103
Long-term liabilities:			
Accrued compensated absences (Note 5)	-	110,742	110,742
Loans payable (Note 5)	-	8,700,295	8,700,295
Bonds payable (Note 5)	-	6,047,066	6,047,066
Total OPEB liability (Note 10)	-	117,260	117,260
Net pension liability (Note 9)	-	1,276,277	1,276,277
Total Long-term Liabilities	-	16,251,640	16,251,640
Total Liabilities	62,138	17,206,605	17,268,743
DEFERRED INFLOWS OF RESOURCES			
Changes in total OPEB liability (Note 10)	-	12,120	12,120
Changes in net pension liability (Note 9)	-	127,503	127,503
Total Deferred Outflows of Resources	-	139,623	139,623
NET POSITION:			
Net investment in capital assets	9,527,643	14,046,412	23,574,055
Unrestricted	1,886,687	13,109,160	14,995,847
Total Net Position	\$ 11,414,330	\$ 27,155,572	\$ 38,569,902

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, 2020

	Business-type Activities		
	Airport	Sewer	Totals
<u>OPERATING REVENUES</u>			
Charges for services:			
User fees and charges	\$ 105,241	\$ 6,547,415	\$ 6,652,656
Connection fees	-	43,075	43,075
Rents and concessions	572,673	-	572,673
Other revenues	<u>444</u>	<u>450</u>	<u>894</u>
Total Operating Revenue	<u>678,358</u>	<u>6,590,940</u>	<u>7,269,298</u>
<u>OPERATING EXPENSES</u>			
Salaries and benefits	136,982	391,095	528,077
Services and supplies	113,445	2,605,964	2,719,409
Maintenance	208,300	511,277	719,577
Depreciation	<u>609,944</u>	<u>1,593,849</u>	<u>2,203,793</u>
Total Operating Expenses	<u>1,068,671</u>	<u>5,102,185</u>	<u>6,170,856</u>
Operating (Loss) Income	<u>(390,313)</u>	<u>1,488,755</u>	<u>1,098,442</u>
<u>NON-OPERATING REVENUE AND EXPENSES</u>			
Taxes	56,062	-	56,062
Intergovernmental revenue	70,385	-	70,385
Interest income	20,528	153,886	174,414
Interest expense	<u>-</u>	<u>(310,400)</u>	<u>(310,400)</u>
Total Non-Operating Revenues and Expenses	<u>146,975</u>	<u>(156,514)</u>	<u>(9,539)</u>
Income (Loss) Before Transfers	<u>(243,338)</u>	<u>1,332,241</u>	<u>1,088,903</u>
<u>TRANSFERS</u>			
Transfers out	<u>(12,500)</u>	<u>(31,325)</u>	<u>(43,825)</u>
Change in net position	<u>(255,838)</u>	<u>1,300,916</u>	<u>1,045,078</u>
Total Net Position - July 1, 2019	<u>11,670,168</u>	<u>25,854,656</u>	<u>37,524,824</u>
Total Net Position - June 30, 2020	<u>\$ 11,414,330</u>	<u>\$ 27,155,572</u>	<u>\$ 38,569,902</u>

See accompanying notes to the basic financial statements.

CITY OF AUBURN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities		
	Airport	Sewer	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 659,190	\$ 6,640,665	\$ 7,299,855
Cash paid to suppliers	(319,799)	(3,087,976)	(3,407,775)
Cash paid to employees	(136,982)	(470,413)	(607,395)
Net Cash Provided by Operating Activities	<u>202,409</u>	<u>3,082,276</u>	<u>3,284,685</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property taxes	80,131	-	80,131
Intergovernmental	70,385	-	70,385
Transfers to other funds	(12,500)	(31,325)	(43,825)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>138,016</u>	<u>(31,325)</u>	<u>106,691</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(8,915)	(480,514)	(489,429)
Principal paid on capital debt	-	(680,843)	(680,843)
Interest paid on capital debt	-	(307,569)	(307,569)
Net Cash Used for Capital and Related Financing Activities	<u>(8,915)</u>	<u>(1,468,926)</u>	<u>(1,477,841)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	<u>20,074</u>	<u>148,378</u>	<u>168,452</u>
Net Cash Provided by Investing Activities	<u>20,074</u>	<u>148,378</u>	<u>168,452</u>
Net Increase in Cash and Cash Equivalents	351,584	1,730,403	2,081,987
Cash and Cash Equivalents - July 1, 2019	<u>1,573,026</u>	<u>12,583,878</u>	<u>14,156,904</u>
Cash and Cash Equivalents - June 30, 2020	<u>\$ 1,924,610</u>	<u>\$ 14,314,281</u>	<u>\$ 16,238,891</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position			
Cash and investments	\$ 1,901,060	\$ 14,314,281	\$ 16,215,341
Restricted cash and investments	<u>23,550</u>	<u>-</u>	<u>23,550</u>
Cash and Cash Equivalents - June 30, 2020	<u>\$ 1,924,610</u>	<u>\$ 14,314,281</u>	<u>\$ 16,238,891</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, 2020

	Business-type Activities		
	Airport	Sewer	Totals
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating (Loss) Income	\$ (390,313)	\$ 1,488,755	\$ 1,098,442
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:			
Depreciation expense	609,944	1,593,849	2,203,793
(Increase) decrease in:			
Accounts receivable	(19,168)	49,725	30,557
Prepaid costs	-	(167,073)	(167,073)
OPEB related deferred outflows of resources	-	(27,117)	(27,117)
Pension related deferred outflows of resources	-	94,712	94,712
Increase (decrease) in:			
Accounts payable	1,946	196,338	198,284
Total OPEB liability	-	30,050	30,050
Net pension liability	-	(146,210)	(146,210)
Compensated absences	-	(364)	(364)
OPEB related deferred inflows of resources	-	(967)	(967)
Pension related deferred inflows of resources	-	(29,422)	(29,422)
Net Cash Provided by Operating Activities	\$ 202,409	\$ 3,082,276	\$ 3,284,685

See accompanying notes to the basic financial statements.

CITY OF AUBURN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Private- Purpose Trust Funds	Agency Funds
<u>ASSETS</u>		
Cash and cash equivalents (Note 2)	\$ 174,255	\$ 154,127
Receivables:		
Accounts	-	6,835
Interest	<u>308</u>	<u>43</u>
Total Assets	<u>174,563</u>	<u>161,005</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred amount on bond refunding (Note 18)	<u>533,616</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>533,616</u>	<u>-</u>
<u>LIABILITIES</u>		
Accounts payable	-	134,534
Due to City	-	-
Agency obligations	-	26,471
Long term liabilities (Note 17):		
Due within one year	160,239	-
Due in more than one year	<u>3,789,050</u>	<u>-</u>
Total Liabilities	<u>3,949,289</u>	<u>161,005</u>
<u>NET POSITION</u>		
Held in trust for private purposes	\$ <u>(3,241,110)</u>	\$ <u>-</u>

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, 2020

	<u>Private- Purpose Trust Funds</u>
<u>ADDITIONS</u>	
Property taxes	\$ 274,027
Interest income	2,778
Other revenues	<u>56,859</u>
Total Additions	<u>333,664</u>
<u>DEDUCTIONS</u>	
Distribution to participants	60,351
Program expenses for former redevelopment agency	175,293
Amortization	<u>25,548</u>
Total Deductions	<u>261,192</u>
Change in Fiduciary Net Position	72,472
Fiduciary Net Position - July 1, 2019	<u>(3,313,582)</u>
Fiduciary Net Position - June 30, 2020	<u><u>\$ (3,241,110)</u></u>

See accompanying notes to the basic financial statements.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Auburn (the "City") 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 Unit

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, 2180 Harvard Street, Suite 450, Sacramento, CA 95815.

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, CA 94551.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City is a participant in California Transit Indemnity Pool (CalTIP), the purpose of which is to provide liability coverage for its members. CalTIP 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 and deferred outflows of resources, liabilities and 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 and deferred outflows of resources, liabilities and 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, 2020

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)

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.

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.

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, 2020

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 from 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, 2020

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 month 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 \$105,424. Restricted assets in the proprietary funds represent cash and investments held in the Airport fund for tenant deposits of \$23,550.

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, 2020

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, 2020, 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 \$2,229,548 in loans receivable as of June 30, 2020.

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, 2020

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, 2020

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, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 - June 30, 2020

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 total OPEB 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 total OPEB liability and is reported on the statement of net position.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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."

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, 2020

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, 2019, the City implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 95

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. The City adopted this accounting guidance for its June 30, 2020 year-end.

W. Future Governmental Accounting Standards Board Statements

These statements are not effective until July 1, 2020 or later. The City has not determined the effects, if any, on the financial statements.

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, 2021.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022.

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, 2022.

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, 2021.

Government Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related not disclosures. The Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. 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, 2023.

Government Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. 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, 2022.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The City has not determined what impact, if any, this pronouncement will have on the financial statements. The removal of LIBOR as an appropriate benchmark interest rate is effective for the City's fiscal year ending June 30, 2022. All other requirements of this statement are effective for the City's fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial assets, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the City's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the City's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a partial component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to the accounting and financial reporting for Section 457 plans are effective for the City's fiscal year ending June 30, 2022.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2020 were classified in the accompanying financial statements as follows:

	<u>Cash and Investments</u>	<u>Restricted Cash and Investments</u>	<u>Total</u>
Governmental activities	\$ 8,275,011	\$ 105,424	\$ 8,380,435
Business-type activities	<u>16,215,341</u>	<u>23,550</u>	<u>16,238,891</u>
Total government-wide cash and investments	<u>24,490,352</u>	<u>128,974</u>	<u>24,619,326</u>
Fiduciary activities	<u>328,382</u>	<u>-</u>	<u>328,382</u>
Total cash and investments	<u>\$ 24,818,734</u>	<u>\$ 128,974</u>	<u>\$ 24,947,708</u>

Cash and investments were carried at fair value as of June 30, 2020 and consisted of the following:

Cash on hand	\$ 250
Cash in banks	<u>7,876,914</u>
Total cash	<u>7,877,164</u>
Money market mutual funds	14,791
Corporate notes	1,400
Placer County Investment Pool	4,335,719
Local Agency Investment Fund (LAIF)	<u>12,718,634</u>
Total investments	<u>17,070,544</u>
Total cash and investments	<u>\$ 24,947,708</u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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	5 years	None	None
U.S. Instrumentalities	5 years	30%	None
State obligations: CA and others	5 years	None	None
CA Local agency bonds	5 years	None	None
Banker's acceptances	180 days	40%	None
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	None
Time deposits	2 years	5%	None
Medium term notes	5 years	30%	N/A
Money market funds	N/A	20%	N/A
Mutual funds	N/A	10%	N/A
Mortgage pass-through and asset backed securities	5 years	20%	None
Local government investment pools	N/A	None	None
Placer County Investment Pool	N/A	25%	None
Local Agency Investment Fund (LAIF)	N/A	None	None

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, 2020:

Investments	Fair Value Measurements Using			Fair Value
	Level 1 Inputs	Level 2 inputs	Level 3 inputs	
Money market mutual funds	\$ 14,791	\$ -	\$ -	\$ 14,791
Corporate notes	1,400	-	-	1,400
Total investments reported under fair value hierarchy	16,191	-	-	16,191
Placer County Investment Pool	-	-	-	4,335,719
Local Agency Investment Fund (LAIF)	-	-	-	12,718,634
Total investments	\$ 16,191	\$ -	\$ -	\$ 17,070,544

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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 \$4,335,719 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 \$12,718,634 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.

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, 2020:

	Interest Rate	Remaining Maturity			Fair Value	Weighted Average Maturity (years)	
		< 12 months	1-5 years	> 5 years			
Money market mutual funds	Variable	\$ 14,791	\$ -	\$ -	\$ 14,791	N/A	
Corporate notes	6.63 %	1,400	-	-	1,400	(8.45)	(1)
Placer County Investment Pool	Variable	4,335,719	-	-	4,335,719	N/A	
Local Agency Investment Fund (LAIF)	Variable	12,718,634	-	-	12,718,634	N/A	
		<u>\$17,070,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$17,070,544</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, 2020.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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	\$ 14,791	Not rated			Not rated
Corporate notes	1,400	A	WR (1)	WR (1)	
Placer County Investment Pool	4,335,719	Not rated			Not rated
Local Agency Investment Fund (LAIF)	<u>12,718,634</u>	Not rated			Not rated
	<u>\$ 17,070,544</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, 2020, the City's investments were all within the policy limitation.

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, 2020

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020, was as follows:

	Balance at July 1, 2019	Additions	Retirements	Balance at June 30, 2020
Governmental activities:				
Capital assets not being depreciated				
Construction-in-progress	\$ 1,253,239	\$ 4,762,688	\$ -	\$ 6,015,927
Total capital assets not being depreciated	<u>1,253,239</u>	<u>4,762,688</u>	<u>-</u>	<u>6,015,927</u>
Capital assets being depreciated				
Infrastructure	7,437,708	-	-	7,437,708
Buildings and improvements	6,347,652	41,717	-	6,389,369
Equipment	7,592,530	545,524	-	8,138,054
Land improvements	<u>15,032,468</u>	<u>-</u>	<u>-</u>	<u>15,032,468</u>
Total capital assets being depreciated	<u>36,410,358</u>	<u>587,241</u>	<u>-</u>	<u>36,997,599</u>
Less accumulated depreciation				
Infrastructure	(3,661,001)	(332,739)	-	(3,993,740)
Buildings and improvements	(3,097,218)	(152,952)	-	(3,250,170)
Equipment	(5,878,281)	(450,410)	-	(6,328,691)
Land improvements	<u>(6,131,217)</u>	<u>(808,038)</u>	<u>-</u>	<u>(6,939,255)</u>
Total accumulated depreciation	<u>(18,767,717)</u>	<u>(1,744,139)</u>	<u>-</u>	<u>(20,511,856)</u>
Total capital assets being depreciated, net	<u>17,642,641</u>	<u>(1,156,898)</u>	<u>-</u>	<u>16,485,743</u>
Governmental activities capital assets, net	<u>\$ 18,895,880</u>	<u>\$ 3,605,790</u>	<u>\$ -</u>	<u>\$ 22,501,670</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 2,874,395	\$ -	\$ -	\$ 2,874,395
Construction-in-progress	<u>1,595,236</u>	<u>409,382</u>	<u>-</u>	<u>2,004,618</u>
Total capital assets not being depreciated	<u>4,469,631</u>	<u>409,382</u>	<u>-</u>	<u>4,879,013</u>
Capital assets being depreciated				
Infrastructure	38,257,376	-	-	38,257,376
Equipment	<u>15,670,587</u>	<u>80,047</u>	<u>-</u>	<u>15,750,634</u>
Total capital assets being depreciated	<u>53,927,963</u>	<u>80,047</u>	<u>-</u>	<u>54,008,010</u>
Less accumulated depreciation				
Infrastructure	(16,524,104)	(1,644,551)	-	(18,168,655)
Equipment	<u>(2,056,779)</u>	<u>(559,242)</u>	<u>-</u>	<u>(2,616,021)</u>
Total accumulated depreciation	<u>(18,580,883)</u>	<u>(2,203,793)</u>	<u>-</u>	<u>(20,784,676)</u>
Total capital assets being depreciated, net	<u>35,347,080</u>	<u>(2,123,746)</u>	<u>-</u>	<u>33,223,334</u>
Business-type capital assets, net	<u>\$ 39,816,711</u>	<u>\$ (1,714,364)</u>	<u>\$ -</u>	<u>\$ 38,102,347</u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3: CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General administration	\$ 160,166
Public safety	307,356
Transportation	660,010
Community development	<u>616,607</u>
Total governmental activities depreciation expense	\$ <u>1,744,139</u>
Business-type Activities:	
Airport	\$ 609,944
Sewer	<u>1,593,849</u>
Total business-type activities depreciation expense	\$ <u>2,203,793</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, 2020:

<u>Due From</u>	<u>Due To</u>	<u>Description</u>	<u>Amount</u>
<u>Major Governmental Funds</u>			
General Fund	Maidu Fire Station	Cover negative cash	\$ 6,855
General Fund	Solid Waste Management	Cover negative cash	31,520
General Fund	AUSD Park Preserve	Cover negative cash	179,854
Transportation	Transit	Cover negative cash	<u>230,704</u>
Total Due From/Due To			\$ <u>448,933</u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>Major Governmental Funds</u>			
General Fund	Transportation	Street overlay contribution	\$ 500,000
	Small Business		
General Fund	Loans	Contribution to cover costs	13,791
	Miscellaneous		
General Fund	Grants	Temporary firefighter costs	<u>152,162</u>
Total Major Governmental Interfund Transfers			<u>665,953</u>
<u>Non-Major Governmental Funds</u>			
Transit	General Fund	CalPERS pension bond debt service	23,494
State Law Enforcement Grant	General Fund	SLESF transfer	155,948
Small Business Loans	General Fund	Defederalized funds	<u>49,209</u>
Total Non-Major Governmental Interfund Transfers			<u>228,651</u>
Total Governmental Interfund Transfers			<u>\$ 894,604</u>
<u>Proprietary Funds</u>			
Airport	General Fund	Public safety cost share	\$ 12,500
Sewer	General Fund	CalPERS pension bond debt service	<u>31,325</u>
Total Proprietary Interfund Transfers			<u>\$ 43,825</u>

NOTE 5: LONG-TERM LIABILITIES

Governmental Activities

The following is a summary of long-term liabilities transactions related to governmental activities of the City for the year ended June 30, 2020:

<u>Governmental Activities:</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Current Portion</u>
Pension obligation bonds	\$ 2,840,000	\$ -	\$ (360,000)	\$ 2,480,000	\$ 400,000
Capital lease obligations	127,698	95,654	(82,822)	140,530	75,829
Other liabilities:					
Compensated absences	<u>1,152,844</u>	<u>623,475</u>	<u>(470,652)</u>	<u>1,305,667</u>	<u>518,583</u>
Total Governmental Activities	<u>\$ 4,120,542</u>	<u>\$ 719,129</u>	<u>\$ (913,474)</u>	<u>\$ 3,926,197</u>	<u>\$ 994,412</u>

See Note 7 for a description of capital lease obligations.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

A description of the long-term liabilities related to governmental activities at June 30, 2020 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 side fund portion of 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.

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.

Pension Obligation Bonds		
For the Year Ending June 30,	Principal	Interest
2021	\$ 400,000	\$ 146,944
2022	440,000	123,344
2023	210,000	97,252
2024	230,000	84,799
2025	255,000	71,160
2026 - 2028	<u>945,000</u>	<u>115,635</u>
Total	<u>\$ 2,480,000</u>	<u>\$ 639,134</u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Business- Type Activities

The following is a summary of long-term liabilities transactions related to business-type activities of the City for the year ended June 30, 2020.

Business-type Activities	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Current Portion
Loans	\$ 9,560,784	\$ -	\$ (445,843)	\$ 9,114,941	\$ 414,646
Less: Discount	<u>(57,859)</u>	<u>-</u>	<u>28,924</u>	<u>(28,935)</u>	<u>(28,935)</u>
Loans, Net	<u>9,502,925</u>	<u>-</u>	<u>(416,919)</u>	<u>9,086,006</u>	<u>385,711</u>
2016 Sewer revenue bonds	6,280,000	-	(235,000)	6,045,000	240,000
Add: Premium	<u>268,963</u>	<u>-</u>	<u>(13,449)</u>	<u>255,514</u>	<u>13,448</u>
2016 Sewer revenue bonds, net	<u>6,548,963</u>	<u>-</u>	<u>(248,449)</u>	<u>6,300,514</u>	<u>253,448</u>
Other liabilities:					
Compensated absences	<u>124,087</u>	<u>16,476</u>	<u>(16,840)</u>	<u>123,723</u>	<u>12,981</u>
Total Business-type Activities	<u>\$ 16,175,975</u>	<u>\$ 16,476</u>	<u>\$ (682,208)</u>	<u>\$ 15,510,243</u>	<u>\$ 652,140</u>

A description of the long-term liabilities related to business-type activities at June 30, 2020 is as follows:

D. Loans

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 \$9,213,698 and payable in annual installments of \$393,107, 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.

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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Following is a schedule of debt payment requirements of business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities.

Loans		
For the Year Ending June 30,	Principal	Interest
2021	\$ 414,646	\$ 152,004
2022	245,202	147,905
2023	249,371	143,737
2024	253,610	139,497
2025	257,921	135,186
2026 - 2030	1,356,886	608,650
2031 - 2035	1,476,210	489,326
2036 - 2040	1,606,027	359,509
2041 - 2045	1,747,261	218,275
2046 - 2049	<u>1,507,807</u>	<u>63,622</u>
Total	<u>\$ 9,114,941</u>	<u>\$ 2,457,711</u>

Sewer Revenue Bonds		
For the Year Ending June 30,	Principal	Interest
2021	\$ 240,000	\$ 180,441
2022	250,000	173,241
2023	255,000	165,741
2024	260,000	158,091
2025	265,000	151,591
2026 - 2030	1,490,000	606,875
2031 - 2035	1,720,000	378,450
2036 - 2039	<u>1,565,000</u>	<u>119,100</u>
Total	<u>\$ 6,045,000</u>	<u>\$ 1,933,530</u>

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, 2020 totaled \$45,170. At June 30, 2020, \$858,228 was reported as deferred amount on bond refunding.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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.

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments</u>
Governmental activities	1.74 - 9.83%	\$ 140,530

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

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

As of June 30, 2020, capital lease annual amortization was as follows:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2021	\$ 75,829
2022	34,448
2023	22,542
2024	<u>22,542</u>
Total requirements	155,361
Less interest	<u>(14,831)</u>
Present value of remaining payments	<u>\$ 140,530</u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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:

Year Ended June 30,	Governmental Activities	Business-Type Activities
2021	\$ 200,777	\$ 650,573
2022	200,776	650,573
2023	200,776	650,573
2024	200,776	650,573
2025	200,776	650,573
2026-2030	960,944	3,174,936
2031-2035	932,320	2,755,970
2036-2040	932,320	2,245,803
2041-2045	863,131	1,828,518
2046-2050	502,290	1,633,420
2051-2055	118,517	1,090,918
2056-2060	46,570	397,103
2061-2065	<u>45,035</u>	<u>46,570</u>
2066-2067	<u>-</u>	<u>18,628</u>
Total rental income from leases	<u>\$ 5,405,008</u>	<u>\$ 16,444,731</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.

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, 2020

NOTE 9: PENSION PLAN (CONTINUED)

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

Employer Rate Plans in the Miscellaneous Risk Pool			
	Miscellaneous	PEPRA Misc.	
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	6.902%	6.25%	
Required employer contribution rates*	33.807%	7.566%	

Employer Rate Plans in the Safety Risk Pool			
	1st Tier Police	2nd Tier Police	PEPRA Police
Hire Date	7/1/2010	On or after 7/1/2010	On or after 1/1/2013
Benefit formula	3.0% @ 50	2.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	50
Monthly benefits, as of % of eligible compensation	3.0%	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	8.989%	8.936%	12.00%
Required employer contribution rates*	58.394%	18.556%	14.082%

	1st Tier Fire	2nd Tier Fire	PEPRA Fire
Hire Date	On or after 1/1/1990	On or after 7/1/2010	On or after 1/1/2013
Benefit formula	3.0% @ 50	2.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	50
Monthly benefits, as of % of eligible compensation	3.0%	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	8.989%	8.936%	13.50%
Required employer contribution rates*	44.216%	21.990%	15.960%

*The required employer contribution rates include the normal cost rate plus the employer unfunded accrued liability contribution amount.

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, 2020 were \$1,869,259.

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

As of June 30, 2020, the City reported net pension liability for its proportionate share of the net pension liability of the Plan of \$18,944,979. \$17,668,702 of the liability is reported in governmental activities and \$1,276,277 of the liability is reported in business-type activities.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2019, 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, 2018 rolled forward to June 30, 2019 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, 2018 and 2019 was as follows:

	<u>Miscellaneous Risk Pool</u>	<u>Safety Risk Pool</u>
Proportion at measurement date – June 30, 2018	0.178041%	0.182594%
Proportion at measurement date – June 30, 2019	<u>0.183167%</u>	<u>0.185983%</u>
Change – increase (decrease)	<u><u>0.005126%</u></u>	<u><u>0.003389%</u></u>

For the year ended June 30, 2020, the City recognized pension expense of \$3,751,674. At June 30, 2020, 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	\$ 1,190,931	\$ 36,244
Changes in assumptions	782,984	201,797
Net differences between projected and actual earnings on plan investments	-	255,502
Adjustment due to differences in proportions	530,249	1,371
Difference between actual and required contributions	-	853,569
Contributions after the measurement date	<u>1,869,259</u>	<u>-</u>
Total	<u><u>\$ 4,373,423</u></u>	<u><u>\$ 1,348,483</u></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>Year Ended June 30,</u>	
2021	\$ 1,171,994
2022	(195,502)
2023	129,746
2024	<u>49,443</u>
Total	<u><u>\$ 1,155,681</u></u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
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 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-216 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 available on CalPERS website.

Changes of Assumptions

For the measurement period June 30, 2019, there were no changes in assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

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 (PERF) cash flows. Using historical returns of all the Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), 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 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, 2020

NOTE 9: PENSION PLAN (CONTINUED)

The table below reflects the long-term expected real rate of return by asset class.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 ^(a)	Real Return Years 11+ ^(b)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(.92%)

(a) An expected inflation of 2.0% used for this period.

(b) An expected inflation of 2.92% used for this period.

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

The following presents the City's proportionate share of the net pension liability for the 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:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net Pension Liability	\$ 28,674,808	\$ 18,944,979	\$ 10,946,328

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. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

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 (\$139 per month in 2020 and indexed to the Medical CPI thereafter) towards the retiree monthly premium for eligible retirees participating in PEMHCA.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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

Employees Covered

As of the June 30, 2019 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>22</u>
Total	<u><u>88</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.

Total OPEB Liability

The City's total OPEB liability ("NOL") was measured as of June 30, 2020 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

Discount Rate	2.20%
Inflation	2.75%
Salary Increases	2.75% per annum
Investment Rate of Return	2.20%
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, 2020

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

Discount Rate

The discount rate used to measure the total OPEB liability was 2.20% based on an assumption that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years.

Changes in Assumptions

The discount rate was changed from 3.50 percent to 2.20 percent for the measurement period ended June 30, 2020. The investment rate of return was changed from 3.80 percent to 2.20 percent for the measurement period ended June 30, 2020.

Changes in the OPEB Liability

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

	Total OPEB Liability (a)
Balance at June 30, 2019	\$ 1,722,039
Service cost	92,527
Interest in TOL	61,224
Employer contributions	-
Assumption changes	462,186
Benefit payments	<u>(38,073)</u>
Net change during 2019-20	<u>577,864</u>
Balance at June 30, 2020	<u><u>\$ 2,299,903</u></u>

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

The following represents the total 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, 2020:

	1% Decrease (1.20%)	Current Discount Rate (2.20%)	1% Increase (3.20%)
Total OPEB Liability	\$ <u>2,743,198</u>	\$ <u>2,299,903</u>	\$ <u>1,929,099</u>

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

The following represents the total 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, 2020:

	1% Decrease (3.00%)	Current Healthcare Cost Trend Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability	\$ <u>1,946,858</u>	\$ <u>2,299,903</u>	\$ <u>2,766,770</u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability 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.

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

All other amounts	Expected average remaining service lifetime (EARSL) (11 years at June 30, 2020)
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OPEB Expense

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$184,410. As of the fiscal year ended June 30, 2020, 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
Experience gains and losses	\$ -	\$ 95,066
Changes of assumptions	<u>485,290</u>	<u>61,031</u>
Total	<u>\$ 485,290</u>	<u>\$ 156,097</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
2021	\$ 30,659
2022	30,659
2023	30,659
2024	30,659
2025	30,659
Thereafter	175,898

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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11: NET POSITION (CONTINUED)

- 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 \$1,341,202 of restricted net position, of which \$1,386,202 is restricted by enabling legislation.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position 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 provisions, 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 funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance 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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12: FUND BALANCE (CONTINUED)

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.

As of June 30, 2020, 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 & First Time Homebuyer</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable					
Prepaid costs	\$ 260,538	\$ -	\$ -	\$ 5,636	\$ 266,174
Total Nonspendable	<u>260,538</u>	<u>-</u>	<u>-</u>	<u>5,636</u>	<u>266,174</u>
Restricted for:					
Public safety - police protection	-	-	-	79,375	79,375
Street maintenance & construction	-	459,379	-	506,247	965,626
Fire protection services	-	-	-	3,480	3,480
Community development	-	-	3,605	386,328	389,933
Capital projects	-	-	-	903,243	903,243
Total Restricted	<u>-</u>	<u>459,379</u>	<u>3,605</u>	<u>1,878,673</u>	<u>2,341,657</u>
Committed to:					
Economic uncertainty	<u>2,661,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,661,186</u>
Total Committed	<u>2,661,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,661,186</u>
Unassigned	<u>2,515,763</u>	<u>-</u>	<u>-</u>	<u>(255,844)</u>	<u>2,259,919</u>
Total Fund Balance	<u>\$ 5,437,487</u>	<u>\$ 459,379</u>	<u>\$ 3,605</u>	<u>\$ 1,628,465</u>	<u>\$ 7,528,936</u>

Fund Balance Deficits

As of June 30, 2020, the following funds had a fund balance deficit:

<u>Fund</u>	<u>Deficit</u>
Transit	\$ (39,868)
Maidu Fire Station	6,855
Solid Waste Management	109,003
Auburn School Park Preserve	179,854

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

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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.

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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13: RISK MANAGEMENT (CONTINUED)

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.

The participants as of June 30, 2020 were as follows:

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

The City's equity investment in the NCCSIF of \$226,017 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, 2020:

<u>Fund</u>	<u>Excess Expenditures and Transfers</u>
General Fund	\$ 1,471,885
Small Business Loans	63,304
Solid Waste Management	99,777
State Law Enforcement Grant	15,948
Facilities and Equipment	50,835
Miscellaneous Grants	58,183

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

NOTE 15: CONTINGENT LIABILITIES AND COMMITMENTS

A. Contractual Obligations

At June 30, 2020, the City had construction contracts outstanding of approximately \$850,260 for the Nevada Street Sidewalk project and the Vista del Val lift station project.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15: CONTINGENT LIABILITIES AND COMMITMENTS

B. Contingencies

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.

C. Public Health Emergency

The World Health Organization declared the worldwide coronavirus (COVID-19) outbreak a public health emergency on January 30, 2020 and officially declared it as a pandemic as of March 11, 2020. Management has performed an evaluation of certain financial statement line items such as investments, accounts receivable, accounts payable, and accrued expenses to determine whether valuation or impairment adjustments should be made. Management has determined that the amounts reported on the financial statements are properly valued as of June 30, 2020. However, since the duration and full effects of the COVID-19 outbreak are yet unknown there could be future negative impacts to the financial condition of the City.

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.

<u>Type of Business</u>	<u>Purpose</u>	<u>Percent Abated</u>	<u>Amount Abated</u>
Gasoline/Petroleum	Creation of Economic Opportunities and Provision of Government Services	46%	\$ 1,727,789

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, 2020:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2019</u>	<u>Additions/ Adjustments</u>	<u>Retirements</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>
Tax allocation bonds	\$ 4,000,000	\$ -	\$ (145,000)	\$ 3,855,000	\$ 155,000
Plus: Discounts	99,528	-	(5,239)	94,289	5,239
Tax allocation bonds, net	<u>4,099,528</u>	<u>-</u>	<u>(150,239)</u>	<u>3,949,289</u>	<u>160,239</u>
Total	<u>\$ 4,099,528</u>	<u>\$ -</u>	<u>\$ (150,239)</u>	<u>\$ 3,949,289</u>	<u>\$ 160,239</u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

**NOTE 17: SUCCESSOR AGENCY TRUST FOR ASSETS OR FORMER REDEVELOPMENT AGENCY
(CONTINUED)**

Individual issues of debt payable outstanding at June 30, 2020, 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.

\$ 3,855,000

Total Tax Allocation Bonds

\$ 3,855,000

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

Year Ended June 30,	Tax Allocation Bonds		
	Principal	Interest	Total
2021	\$ 155,000	\$ 143,356	\$ 298,356
2022	160,000	137,156	297,156
2023	170,000	130,756	300,756
2024	170,000	123,956	293,956
2025	185,000	115,456	300,456
2026 - 2030	1,015,000	473,469	1,488,469
2031 - 2035	1,180,000	299,669	1,479,669
2036 - 2038	<u>820,000</u>	<u>66,200</u>	<u>886,200</u>
Total	\$ <u>3,855,000</u>	\$ <u>1,490,018</u>	\$ <u>5,345,018</u>

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, 2020, \$533,616 in deferred outflows of resources was reported.

NOTE 19: SUBSEQUENT EVENTS

Management has evaluated events subsequent to June 30, 2020 through January 15, 2021, 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, 2020**

Last 10 Years*

	Measurement Period					
	2014	2015	2016	2017	2018	2019
Proportion of the net pension liability	0.16656 %	0.16851 %	0.17402 %	0.17533 %	0.18081 %	0.18488 %
Proportionate share of the net pension liability	\$ 10,364,029	\$ 11,566,338	\$ 15,057,902	\$ 17,388,071	\$ 17,423,632	\$ 18,944,979
Covered payroll	\$ 5,246,758	\$ 5,395,469	\$ 4,719,132	\$ 5,033,740	\$ 5,564,549	\$ 5,486,264
Proportionate share of the net pension liability as a percentage of covered payroll	197.53 %	214.37 %	319.08 %	345.43 %	313.12 %	345.32 %
Plan fiduciary net position as a percentage of the total pension liability	79.82 %	78.40 %	74.06 %	73.29 %	75.30 %	75.30 %

Notes to Schedule:

Changes in assumptions – In 2019, there were no changes in assumptions. In 2018, assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent. 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 six 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, 2020**

Last 10 Years*

	Fiscal Year-End					
	2015**	2016	2017	2018	2019	2020
Miscellaneous Plan						
Contractually required contribution (actuarially determined)	\$ 1,009,017	\$ 1,172,934	\$ 1,314,609	\$ 1,399,915	\$ 1,621,698	\$ 1,869,259
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>	<u>(1,621,698)</u>	<u>(1,869,259)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,395,469	\$ 4,719,132	\$ 5,033,740	\$ 5,564,549	\$ 5,486,264	\$ 5,906,518
Contributions as a percentage of covered payroll	18.70 %	24.85 %	26.12 %	25.16 %	29.56 %	31.65 %

* Schedule is intended to show information for ten years. Fiscal year 2015 was the first year of implementation, therefore only six 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 TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Measurement Periods Ended June 30**

Last 10 Years*

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB liability				
Service cost	\$ 82,759	\$ 85,034	\$ 87,372	\$ 92,527
Interest	53,292	62,063	63,343	61,224
Experience gains (losses)	-	-	(116,192)	-
Changes in assumptions	-	(85,124)	79,593	462,186
Benefit payments	<u>(27,180)</u>	<u>(28,267)</u>	<u>(30,632)</u>	<u>(38,073)</u>
Net change in total OPEB liability	108,871	33,706	83,484	577,864
Total OPEB liability, beginning	<u>1,495,978</u>	<u>1,604,849</u>	<u>1,638,555</u>	<u>1,722,039</u>
Total OPEB liability, ending (a)	<u>\$ 1,604,849</u>	<u>\$ 1,638,555</u>	<u>\$ 1,722,039</u>	<u>\$ 2,299,903</u>
Plan fiduciary net position as a percentage of the total OPEB liability	- %	- %	- %	- %
Covered-employee payroll	\$ 5,658,701	\$ 5,697,062	\$ 5,897,498	\$ 7,134,509
City's total OPEB liability as a percentage of covered-employee payroll	28 %	29 %	29 %	32 %

Notes to Schedule:

Changes in assumptions – The discount rate was changed from 3.50 percent to 2.20 percent for the measurement period ended June 30, 2020. The discount rate was changed from 3.80 percent to 3.50 percent for the measurement period ended June 30, 2019. 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 four 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, 2020

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>REVENUES</u>				
Taxes and assessments	\$ 10,681,762	\$ 11,099,455	\$ 11,358,888	\$ 259,433
Licenses and permits	417,739	401,050	393,981	(7,069)
Fines and forfeitures	173,100	203,150	228,308	25,158
Use of money and property	359,000	382,100	397,437	15,337
Intergovernmental	363,105	729,482	763,441	33,959
Charges for service	170,175	225,050	205,393	(19,657)
Other revenues	<u>11,300</u>	<u>59,519</u>	<u>90,628</u>	<u>31,109</u>
Total Revenues	<u>12,176,181</u>	<u>13,099,806</u>	<u>13,438,076</u>	<u>338,270</u>
<u>EXPENDITURES</u>				
Current operations:				
General Government:				
City council	77,538	73,222	72,740	482
City manager	216,386	236,682	229,196	7,486
City clerk	108,145	116,359	110,013	6,346
Administrative services	430,059	477,978	514,618	(36,640)
City attorney	230,000	330,000	332,616	(2,616)
Information technology	214,000	234,300	255,021	(20,721)
Insurance programs	583,857	629,895	630,120	(225)
Support for community programs	119,005	105,100	83,869	21,231
Nondepartmental	<u>-</u>	<u>-</u>	<u>1,009,630</u>	<u>(1,009,630)</u>
Total General Government	<u>1,978,990</u>	<u>2,203,536</u>	<u>3,237,823</u>	<u>(1,034,287)</u>
Public Safety:				
Police	4,264,854	4,379,478	4,388,618	(9,140)
Fire	<u>2,126,522</u>	<u>2,366,065</u>	<u>2,460,846</u>	<u>(94,781)</u>
Total Public Safety	<u>6,391,376</u>	<u>6,745,543</u>	<u>6,849,464</u>	<u>(103,921)</u>
Transportation:				
Administration and engineering	187,981	266,789	349,880	(83,091)
Construction and maintenance	430,664	422,113	408,234	13,879
Yard and shop	253,506	216,838	219,751	(2,913)
Stormwater management	<u>36,425</u>	<u>36,425</u>	<u>29,237</u>	<u>7,188</u>
Total Transportation	<u>908,576</u>	<u>942,165</u>	<u>1,007,102</u>	<u>(64,937)</u>
Community Development:				
Economic development	202,937	154,068	210,106	(56,038)
Planning	202,567	217,687	338,321	(120,634)
Building inspections	208,123	280,351	270,469	9,882
Building maintenance	<u>292,104</u>	<u>292,104</u>	<u>311,103</u>	<u>(18,999)</u>
Total Community Development	<u>905,731</u>	<u>944,210</u>	<u>1,129,999</u>	<u>(185,789)</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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Nondepartmental:				
Debt service:				
Principal	-	522,082	360,000	162,082
Interest and fiscal charges	-	-	162,082	(162,082)
Capital outlay	<u>658,250</u>	<u>683,047</u>	<u>211,262</u>	<u>471,785</u>
Total Nondepartmental	<u>658,250</u>	<u>1,205,129</u>	<u>733,344</u>	<u>471,785</u>
Total Expenditures	<u>10,842,923</u>	<u>12,040,583</u>	<u>12,957,732</u>	<u>(917,149)</u>
Excess (deficiency) of revenues over expenditures	<u>1,333,258</u>	<u>1,059,223</u>	<u>480,344</u>	<u>(578,879)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from capital lease	-	-	95,654	95,654
Transfers in	207,959	207,319	272,476	65,157
Transfers out	<u>-</u>	<u>(111,217)</u>	<u>(665,953)</u>	<u>(554,736)</u>
Total other financing sources (uses)	<u>207,959</u>	<u>96,102</u>	<u>(297,823)</u>	<u>(393,925)</u>
Net change in fund balance	<u>\$ 1,541,217</u>	<u>\$ 1,155,325</u>	182,521	<u>\$ (972,804)</u>
Fund balance - July 1, 2019			<u>5,254,966</u>	
Fund balance - June 30, 2020			<u>\$ 5,437,487</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, 2020

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 832	\$ 832
Intergovernmental	<u>2,536,467</u>	<u>2,640,421</u>	<u>4,109,332</u>	<u>1,468,911</u>
Total Revenues	<u>2,536,467</u>	<u>2,640,421</u>	<u>4,110,164</u>	<u>1,469,743</u>
<u>EXPENDITURES</u>				
Current operations:				
Transportation	87,000	87,000	92,984	(5,984)
Capital outlay	<u>6,080,000</u>	<u>6,080,000</u>	<u>5,039,746</u>	<u>1,040,254</u>
Total Expenditures	<u>6,167,000</u>	<u>6,167,000</u>	<u>5,132,730</u>	<u>1,034,270</u>
Excess (deficiency) of revenues over expenditures	<u>(3,630,533)</u>	<u>(3,526,579)</u>	<u>(1,022,566)</u>	<u>2,504,013</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>1,215,420</u>	<u>1,215,420</u>	<u>500,000</u>	<u>(715,420)</u>
Total other financing sources (uses)	<u>1,215,420</u>	<u>1,215,420</u>	<u>500,000</u>	<u>(715,420)</u>
Net change in fund balance	<u>\$ (2,415,113)</u>	<u>\$ (2,311,159)</u>	<u>(522,566)</u>	<u>\$ 1,788,593</u>
Fund balance (deficit) - July 1, 2019			<u>981,945</u>	
Fund balance (deficit) - June 30, 2020			<u>\$ 459,379</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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ 50	\$ 50	\$ 96	\$ 46
Other revenues	<u>1,550</u>	<u>1,550</u>	<u>1,730</u>	<u>180</u>
Total Revenues	<u>1,600</u>	<u>1,600</u>	<u>1,826</u>	<u>226</u>
<u>EXPENDITURES</u>				
Current operations:				
Community development	<u>5,600</u>	<u>5,600</u>	<u>4,983</u>	<u>617</u>
Total Expenditures	<u>5,600</u>	<u>5,600</u>	<u>4,983</u>	<u>617</u>
Net change in fund balance	\$ <u>(4,000)</u>	\$ <u>(4,000)</u>	(3,157)	\$ <u>843</u>
Fund balance (deficit) - July 1, 2019			<u>6,762</u>	
Fund balance (deficit) - June 30, 2020			\$ <u>3,605</u>	

CITY OF AUBURN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION ON
BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, 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	Administrative services	\$ 36,640
	City attorney	2,616
	Information technology	20,721
	Insurance programs	225
	Nondepartmental	1,009,630
	Police	9,140
	Fire	94,781
	Administration and engineering	83,091
	Yard and shop	2,913
	Economic development	56,038
	Planning	120,634
	Building maintenance	18,999

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS



NON-MAJOR GOVERNMENTAL FUNDS

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.

NON-MAJOR GOVERNMENTAL FUNDS

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, 2020

	<u>Special Revenue Funds</u>		
	<u>State Gas Tax</u>	<u>Transit</u>	<u>Property Seizures</u>
<u>ASSETS</u>			
Cash and investments	\$ 507,872	\$ -	\$ 79,375
Accounts receivables	17,947	354,163	-
Interest receivable	997	-	-
Prepaid items and supplies	-	-	5,636
Loans receivables	-	-	-
Total Assets	<u>\$ 526,816</u>	<u>\$ 354,163</u>	<u>\$ 85,011</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 20,569	\$ 11,574	\$ -
Unearned revenue	-	72,017	-
Due to other funds	-	230,704	-
Total Liabilities	<u>20,569</u>	<u>314,295</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenues	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS):</u>			
Nonspendable	-	-	5,636
Restricted for:			
Public safety - police protection	-	-	79,375
Street maintenance & construction	506,247	-	-
Fire protection services	-	-	-
Community development	-	-	-
Capital projects	-	-	-
Unassigned	-	39,868	-
Total fund balances (deficits)	<u>506,247</u>	<u>39,868</u>	<u>85,011</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 526,816</u>	<u>\$ 354,163</u>	<u>\$ 85,011</u>

CITY OF AUBURN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds		
	Maidu Fire Station	Small Business Loans	Solid Waste Management
<u>ASSETS</u>			
Cash and investments	\$ -	\$ 384,202	\$ -
Accounts receivables	-	2,126	52,968
Interest receivable	-	-	-
Prepaid items and supplies	-	-	-
Loans receivables	-	73,895	-
Total Assets	<u>\$ -</u>	<u>\$ 460,223</u>	<u>\$ 52,968</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ -	\$ 130,451
Unearned revenue	-	-	-
Due to other funds	6,855	-	31,520
Total Liabilities	<u>6,855</u>	<u>-</u>	<u>161,971</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenues	-	73,895	-
Total Deferred Inflows of Resources	<u>-</u>	<u>73,895</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS):</u>			
Nonspendable	-	-	-
Restricted for:			
Public safety - police protection	-	-	-
Street maintenance & construction	-	-	-
Fire protection services	-	-	-
Community development	-	386,328	-
Capital projects	-	-	-
Unassigned	(6,855)	-	(109,003)
Total fund balances (deficits)	<u>(6,855)</u>	<u>386,328</u>	<u>(109,003)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ -</u>	<u>\$ 460,223</u>	<u>\$ 52,968</u>

CITY OF AUBURN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds		
	State Law Enforcement Grant	Facilities and Equipment	Miscellaneous Grants
<u>ASSETS</u>			
Cash and investments	\$ -	\$ 191,361	\$ 3,480
Accounts receivables	-	-	-
Interest receivable	-	294	-
Prepaid items and supplies	-	-	-
Loans receivables	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ 191,655</u>	<u>\$ 3,480</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ -	\$ -
Unearned revenue	-	-	-
Due to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenues	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS):</u>			
Nonspendable	-	-	-
Restricted for:			
Public safety - police protection	-	-	-
Street maintenance & construction	-	-	-
Fire protection services	-	-	3,480
Community development	-	-	-
Capital projects	-	191,655	-
Unassigned	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>-</u>	<u>191,655</u>	<u>3,480</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ -</u>	<u>\$ 191,655</u>	<u>\$ 3,480</u>

CITY OF AUBURN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (CONTINUED)
JUNE 30, 2020

	<u>Capital Projects Funds</u>		<u>Total</u>
	<u>Auburn School</u>	<u>Project Fund</u>	<u>Non-major</u>
	<u>Park Preserve</u>		<u>Governmental</u>
			<u>Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ -	\$ 710,517	\$ 1,876,807
Accounts receivables	-	-	427,204
Interest receivable	-	1,071	2,362
Prepaid items and supplies	-	-	5,636
Loans receivables	-	-	73,895
	<u>-</u>	<u>-</u>	<u>73,895</u>
Total Assets	<u>\$ -</u>	<u>\$ 711,588</u>	<u>\$ 2,385,904</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ -	\$ 162,594
Unearned revenue	-	-	72,017
Due to other funds	<u>179,854</u>	<u>-</u>	<u>448,933</u>
Total Liabilities	<u>179,854</u>	<u>-</u>	<u>683,544</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenues	<u>-</u>	<u>-</u>	<u>73,895</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>73,895</u>
<u>FUND BALANCES (DEFICITS):</u>			
Nonspendable	-	-	5,636
Restricted for:			
Public safety - police protection	-	-	79,375
Street maintenance & construction	-	-	506,247
Fire protection services	-	-	3,480
Community development	-	-	386,328
Capital projects	-	711,588	903,243
Unassigned	<u>(179,854)</u>	<u>-</u>	<u>(255,844)</u>
Total fund balances (deficits)	<u>(179,854)</u>	<u>711,588</u>	<u>1,628,465</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ -</u>	<u>\$ 711,588</u>	<u>\$ 2,385,904</u>

CITY OF AUBURN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds		
	State Gas Tax	Transit	Property Seizures
<u>REVENUES</u>			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Use of money and property	6,488	-	-
Intergovernmental	588,381	1,016,388	-
Charges for services	-	18,835	-
Other revenues	-	-	123,567
Total Revenues	<u>594,869</u>	<u>1,035,223</u>	<u>123,567</u>
<u>EXPENDITURES</u>			
Current operations:			
General government	-	-	-
Public safety	-	-	-
Transportation	273,544	641,267	-
Community development	-	-	-
Debt service:			
Principal	-	-	82,822
Interest and fiscal charges	-	-	10,107
Capital outlay	<u>164,983</u>	<u>425,984</u>	<u>-</u>
Total Expenditures	<u>438,527</u>	<u>1,067,251</u>	<u>92,929</u>
Excess (deficiency) of revenues over expenditures	<u>156,342</u>	<u>(32,028)</u>	<u>30,638</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>(23,494)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(23,494)</u>	<u>-</u>
Net change in fund balance	156,342	(55,522)	30,638
Fund balance (deficit) - July 1, 2019	<u>349,905</u>	<u>95,390</u>	<u>54,373</u>
Fund balance (deficit) - June 30, 2020	<u>\$ 506,247</u>	<u>\$ 39,868</u>	<u>\$ 85,011</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, 2020

	Special Revenue Funds		
	Maidu Fire Station	Small Business Loans	Solid Waste Management
<u>REVENUES</u>			
Taxes and assessments	\$ -	\$ -	\$ 193,248
Licenses and permits	-	-	-
Use of money and property	-	245	41
Intergovernmental	-	-	-
Charges for services	-	-	-
Other revenues	-	25,514	-
Total Revenues	-	25,759	193,289
<u>EXPENDITURES</u>			
Current operations:			
General government	-	-	-
Public safety	-	-	285,116
Transportation	-	-	-
Community development	-	17,595	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	39,268	-	-
Total Expenditures	39,268	17,595	285,116
Excess (deficiency) of revenues over expenditures	(39,268)	8,164	(91,827)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	13,791	-
Transfers out	-	(49,209)	-
Total Other Financing Sources (Uses)	-	(35,418)	-
Net change in fund balance	(39,268)	(27,254)	(91,827)
Fund balance (deficit) - July 1, 2019	32,413	413,582	(17,176)
Fund balance (deficit) - June 30, 2020	\$ (6,855)	\$ 386,328	\$ (109,003)

CITY OF AUBURN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds		
	State Law Enforcement Grant	Facilities and Equipment	Miscellaneous Grants
<u>REVENUES</u>			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses and permits	-	22,000	-
Use of money and property	-	2,513	-
Intergovernmental	155,948	-	121,668
Charges for services	-	-	89,216
Other revenues	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>155,948</u>	<u>24,513</u>	<u>210,884</u>
<u>EXPENDITURES</u>			
Current operations:			
General government	-	222	-
Public safety	-	9,623	613,739
Transportation	-	-	-
Community development	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	40,990	1,611
	<u>-</u>	<u>40,990</u>	<u>1,611</u>
Total Expenditures	<u>-</u>	<u>50,835</u>	<u>615,350</u>
Excess (deficiency) of revenues over expenditures	<u>155,948</u>	<u>(26,322)</u>	<u>(404,466)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	-	152,162
Transfers out	(155,948)	-	-
	<u>(155,948)</u>	<u>-</u>	<u>152,162</u>
Total Other Financing Sources (Uses)	<u>(155,948)</u>	<u>-</u>	<u>152,162</u>
Net change in fund balance	-	(26,322)	(252,304)
Fund balance (deficit) - July 1, 2019	-	217,977	255,784
Fund balance (deficit) - June 30, 2020	\$ <u>-</u>	\$ <u>191,655</u>	\$ <u>3,480</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, 2020

	<u>Capital Projects Funds</u>		Total Non-major Governmental Funds
	<u>Auburn School Park Preserve</u>	<u>Project Fund</u>	
<u>REVENUES</u>			
Taxes and assessments	\$ -	\$ -	\$ 193,248
Licenses and permits	-	-	22,000
Use of money and property	13,232	8,106	30,625
Intergovernmental	-	-	1,882,385
Charges for services	-	650	108,701
Other revenues	-	-	149,081
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>13,232</u>	<u>8,756</u>	<u>2,386,040</u>
<u>EXPENDITURES</u>			
Current operations:			
General government	-	-	222
Public safety	-	-	908,478
Transportation	-	-	914,811
Community development	-	699	18,294
Debt service:			
Principal	-	-	82,822
Interest and fiscal charges	-	-	10,107
Capital outlay	-	-	672,836
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>699</u>	<u>2,607,570</u>
Excess (deficiency) of revenues over expenditures	<u>13,232</u>	<u>8,057</u>	<u>(221,530)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	-	165,953
Transfers out	-	-	(228,651)
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(62,698)</u>
Net change in fund balance	13,232	8,057	(284,228)
Fund balance (deficit) - July 1, 2019	<u>(193,086)</u>	<u>703,531</u>	<u>1,912,693</u>
Fund balance (deficit) - June 30, 2020	<u>\$ (179,854)</u>	<u>\$ 711,588</u>	<u>\$ 1,628,465</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, 2020

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 6,488	\$ 6,488
Intergovernmental	<u>631,071</u>	<u>638,491</u>	<u>588,381</u>	<u>(50,110)</u>
Total Revenues	<u>631,071</u>	<u>638,491</u>	<u>594,869</u>	<u>(43,622)</u>
<u>EXPENDITURES</u>				
Current operations:				
Transportation	300,000	300,000	273,544	26,456
Capital outlay	<u>600,000</u>	<u>600,000</u>	<u>164,983</u>	<u>435,017</u>
Total Expenditures	<u>900,000</u>	<u>900,000</u>	<u>438,527</u>	<u>461,473</u>
Net change in fund balance	\$ <u>(268,929)</u>	\$ <u>(261,509)</u>	156,342	\$ <u>417,851</u>
Fund balance (deficit) - July 1, 2019			<u>349,905</u>	
Fund balance (deficit) - June 30, 2020			\$ <u>506,247</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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ 648,709	\$ 648,709	\$ 1,016,388	\$ 367,679
Charges for services	<u>25,000</u>	<u>25,000</u>	<u>18,835</u>	<u>(6,165)</u>
Total Revenues	<u>673,709</u>	<u>673,709</u>	<u>1,035,223</u>	<u>361,514</u>
<u>EXPENDITURES</u>				
Current operations:				
Transportation	610,452	610,452	641,267	(30,815)
Capital outlay	<u>544,808</u>	<u>544,808</u>	<u>425,984</u>	<u>118,824</u>
Total Expenditures	<u>1,155,260</u>	<u>1,155,260</u>	<u>1,067,251</u>	<u>88,009</u>
Excess (deficiency) of revenues over expenditures	<u>(481,551)</u>	<u>(481,551)</u>	<u>(32,028)</u>	<u>449,523</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(22,818)</u>	<u>(22,818)</u>	<u>(23,494)</u>	<u>(676)</u>
Total other financing sources (uses)	<u>(22,818)</u>	<u>(22,818)</u>	<u>(23,494)</u>	<u>(676)</u>
Net change in fund balance	\$ <u>(504,369)</u>	\$ <u>(504,369)</u>	(55,522)	\$ <u>448,847</u>
Fund balance (deficit) - July 1, 2019			<u>95,390</u>	
Fund balance (deficit) - June 30, 2020			\$ <u>39,868</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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Other revenues	\$ <u>50,000</u>	\$ <u>50,000</u>	\$ <u>123,567</u>	\$ <u>73,567</u>
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>123,567</u>	<u>73,567</u>
<u>EXPENDITURES</u>				
Debt service:				
Principal	93,000	93,000	82,822	10,178
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>10,107</u>	<u>(10,107)</u>
Total Expenditures	<u>93,000</u>	<u>93,000</u>	<u>92,929</u>	<u>71</u>
Net change in fund balance	\$ <u>(43,000)</u>	\$ <u>(43,000)</u>	30,638	\$ <u>73,638</u>
Fund balance (deficit) - July 1, 2019			<u>54,373</u>	
Fund balance (deficit) - June 30, 2020			<u>\$ 85,011</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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ 225	\$ 225	\$ 245	\$ 20
Other revenues	<u>25,514</u>	<u>25,514</u>	<u>25,514</u>	<u>-</u>
Total Revenues	<u>25,739</u>	<u>25,739</u>	<u>25,759</u>	<u>20</u>
<u>EXPENDITURES</u>				
Current operations:				
Community development	<u>3,500</u>	<u>3,500</u>	<u>17,595</u>	<u>(14,095)</u>
Total Expenditures	<u>3,500</u>	<u>3,500</u>	<u>17,595</u>	<u>(14,095)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	13,791	13,791
Transfers out	<u>-</u>	<u>-</u>	<u>(49,209)</u>	<u>(49,209)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(35,418)</u>	<u>(35,418)</u>
Net change in fund balance	\$ <u>22,239</u>	\$ <u>22,239</u>	(27,254)	\$ <u>(49,493)</u>
Fund balance (deficit) - July 1, 2019			<u>413,582</u>	
Fund balance (deficit) - June 30, 2020			\$ <u>386,328</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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes and assessments	\$ 160,000	\$ 160,000	\$ 193,248	\$ 33,248
Use of money and property	250	250	41	(209)
Intergovernmental	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total Revenues	<u>165,250</u>	<u>165,250</u>	<u>193,289</u>	<u>28,039</u>
<u>EXPENDITURES</u>				
Current operations:				
Public safety	<u>185,339</u>	<u>185,339</u>	<u>285,116</u>	<u>(99,777)</u>
Total Expenditures	<u>185,339</u>	<u>185,339</u>	<u>285,116</u>	<u>(99,777)</u>
Net change in fund balance	\$ <u>(20,089)</u>	\$ <u>(20,089)</u>	(91,827)	\$ <u>(71,738)</u>
Fund balance (deficit) - July 1, 2019			<u>(17,176)</u>	
Fund balance (deficit) - June 30, 2020			\$ <u>(109,003)</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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ <u>140,000</u>	\$ <u>140,000</u>	\$ <u>155,948</u>	\$ <u>15,948</u>
Total Revenues	<u>140,000</u>	<u>140,000</u>	<u>155,948</u>	<u>15,948</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(140,000)</u>	<u>(140,000)</u>	<u>(155,948)</u>	<u>(15,948)</u>
Total Other Financing Sources (Uses)	<u>(140,000)</u>	<u>(140,000)</u>	<u>(155,948)</u>	<u>(15,948)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Fund balance (deficit) - July 1, 2019			<u>-</u>	
Fund balance (deficit) - June 30, 2020			\$ <u>-</u>	

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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Licenses and permits	\$ 25,000	\$ 25,000	\$ 22,000	\$ (3,000)
Use of money and property	<u>2,500</u>	<u>2,500</u>	<u>2,513</u>	<u>13</u>
Total Revenues	<u>27,500</u>	<u>27,500</u>	<u>24,513</u>	<u>(2,987)</u>
<u>EXPENDITURES</u>				
Current operations:				
General government	-	-	222	(222)
Public safety	-	-	9,623	(9,623)
Capital outlay	<u>-</u>	<u>-</u>	<u>40,990</u>	<u>(40,990)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>50,835</u>	<u>(50,835)</u>
Net change in fund balance	\$ <u>27,500</u>	\$ <u>27,500</u>	(26,322)	\$ <u>(53,822)</u>
Fund balance (deficit) - July 1, 2019			<u>217,977</u>	
Fund balance (deficit) - June 30, 2020			\$ <u>191,655</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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ -	\$ 121,668	\$ 121,668
Charges for service	<u>200,000</u>	<u>111,967</u>	<u>89,216</u>	<u>(22,751)</u>
Total Revenues	<u>200,000</u>	<u>111,967</u>	<u>210,884</u>	<u>98,917</u>
<u>EXPENDITURES</u>				
Current operations:				
Public safety	579,156	557,167	613,739	(56,572)
Capital outlay	<u>-</u>	<u>-</u>	<u>1,611</u>	<u>(1,611)</u>
Total Expenditures	<u>579,156</u>	<u>557,167</u>	<u>615,350</u>	<u>(58,183)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>-</u>	<u>-</u>	<u>152,162</u>	<u>152,162</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>152,162</u>	<u>152,162</u>
Net change in fund balance	\$ <u>(379,156)</u>	\$ <u>(445,200)</u>	(252,304)	\$ <u>192,896</u>
Fund balance (deficit) - July 1, 2019			<u>255,784</u>	
Fund balance (deficit) - June 30, 2020			\$ <u>3,480</u>	

**FIDUCIARY FUNDS
PRIVATE PURPOSE TRUST FUNDS**

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

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 POSITION
JUNE 30, 2020

	<u>Merchant's Council</u>	<u>Historic Auburn</u>	<u>Signature Theatre Sewer District</u>
<u>ASSETS</u>			
Cash and investments	\$ 19,807	\$ 10,255	\$ 115
Interest receivable	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>19,807</u>	<u>10,255</u>	<u>115</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred amount on bond refunding	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<u>LIABILITIES</u>			
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>
<u>NET POSITION</u>			
Net position held in trust	<u>19,807</u>	<u>10,255</u>	<u>115</u>
Total Net Position	<u>\$ 19,807</u>	<u>\$ 10,255</u>	<u>\$ 115</u>

CITY OF AUBURN
PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2020

	<u>Southwest Specific Plan</u>	<u>Successor Agency to the Auburn Urban Development Authority</u>	<u>Total Private Purpose Trust Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 6,805	\$ 137,273	\$ 174,255
Interest receivable	<u>10</u>	<u>298</u>	<u>308</u>
Total Assets	<u>6,815</u>	<u>137,571</u>	<u>174,563</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred amount on bond refunding	<u>-</u>	<u>533,616</u>	<u>533,616</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>533,616</u>	<u>533,616</u>
<u>LIABILITIES</u>			
Long-term debt:			
Due within one year	-	160,239	160,239
Due in more than one year	<u>-</u>	<u>3,789,050</u>	<u>3,789,050</u>
Total Liabilities	<u>-</u>	<u>3,949,289</u>	<u>3,949,289</u>
<u>NET POSITION</u>			
Net position held in trust	<u>6,815</u>	<u>(3,278,102)</u>	<u>(3,241,110)</u>
Total Net Position	<u>\$ 6,815</u>	<u>\$ (3,278,102)</u>	<u>\$ (3,241,110)</u>

CITY OF AUBURN
PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Merchant's Council</u>	<u>Historic Auburn</u>	<u>Signature Theatre Sewer District</u>
<u>REVENUES</u>			
Property taxes	\$ -	\$ -	\$ -
Interest income	-	-	-
Other revenues	<u>37,857</u>	<u>19,002</u>	<u>-</u>
Total Revenues	<u>37,857</u>	<u>19,002</u>	<u>-</u>
<u>EXPENDITURES</u>			
Distributions to participants	39,908	20,436	-
Program expenses for former redevelopment agency	-	-	-
Amortization	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>39,908</u>	<u>20,436</u>	<u>-</u>
Change in net position	(2,051)	(1,434)	-
Net position - July 1, 2019	<u>21,858</u>	<u>11,689</u>	<u>115</u>
Net position - June 30, 2020	<u>\$ 19,807</u>	<u>\$ 10,255</u>	<u>\$ 115</u>

CITY OF AUBURN
PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	Southwest Specific Plan	Successor Agency to the Auburn Urban Development Authority	Total Private Purpose Trust Funds
<u>REVENUES</u>			
Property taxes	\$ -	\$ 274,027	\$ 274,027
Interest income	78	2,700	2,778
Other revenues	<u>-</u>	<u>-</u>	<u>56,859</u>
Total Revenues	<u>78</u>	<u>276,727</u>	<u>333,664</u>
<u>EXPENDITURES</u>			
Distributions to participants	7	-	60,351
Program expenses for former redevelopment agency	-	175,293	175,293
Amortization	<u>-</u>	<u>25,548</u>	<u>25,548</u>
Total Expenditures	<u>7</u>	<u>200,841</u>	<u>261,192</u>
Change in net position	71	75,886	72,472
Net position - July 1, 2019	<u>6,744</u>	<u>(3,353,988)</u>	<u>(3,313,582)</u>
Net position - June 30, 2020	<u>\$ 6,815</u>	<u>\$ (3,278,102)</u>	<u>\$ (3,241,110)</u>

**FIDUCIARY FUNDS
AGENCY FUNDS**

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.

CITY OF AUBURN
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2020

	<u>Cable TV Access Fees</u>	<u>Fire Safety Council</u>	<u>Recreation Park Development</u>	<u>Placer County Facilities Fee</u>
<u>ASSETS</u>				
Cash and investments	\$ 72,273	\$ 53	\$ 30,250	\$ 51,551
Receivables:				
Accounts	6,835	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>43</u>	<u>-</u>
Total Assets	<u>\$ 79,108</u>	<u>\$ 53</u>	<u>\$ 30,293</u>	<u>\$ 51,551</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 79,108	\$ -	\$ -	\$ 7,897
Agency obligations	<u>-</u>	<u>53</u>	<u>30,293</u>	<u>43,654</u>
Total Liabilities	<u>\$ 79,108</u>	<u>\$ 53</u>	<u>\$ 30,293</u>	<u>\$ 51,551</u>

CITY OF AUBURN
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)
JUNE 30, 2020

	<u>Payroll Clearing</u>	<u>Total Agency Funds</u>
<u>ASSETS</u>		
Cash and investments	\$ -	\$ 154,127
Receivables:		
Accounts	-	6,835
Interest	<u>-</u>	<u>43</u>
Total Assets	<u>\$ -</u>	<u>\$ 161,005</u>
<u>LIABILITIES</u>		
Accounts payable	\$ 47,529	\$ 134,534
Agency obligations	<u>(47,529)</u>	<u>26,471</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 161,005</u>

CITY OF AUBURN
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
CABLE TV ACCESS FEES				
<u>ASSETS</u>				
Cash and investments	\$ 42,828	\$ 29,445	\$ -	\$ 72,273
Receivables:				
Accounts	<u>7,758</u>	<u>6,835</u>	<u>7,758</u>	<u>6,835</u>
Total Assets	<u>\$ 50,586</u>	<u>\$ 36,280</u>	<u>\$ 7,758</u>	<u>\$ 79,108</u>
<u>LIABILITIES</u>				
Agency obligations	<u>\$ 50,586</u>	<u>\$ 36,280</u>	<u>\$ 7,758</u>	<u>\$ 79,108</u>
Total Liabilities	<u>\$ 50,586</u>	<u>\$ 36,280</u>	<u>\$ 7,758</u>	<u>\$ 79,108</u>
FIRE SAFETY COUNCIL				
<u>ASSETS</u>				
Cash and investments	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53</u>
Total Assets	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53</u>
<u>LIABILITIES</u>				
Agency obligations	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53</u>
Total Liabilities	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53</u>
RECREATION PARK DEVELOPMENT				
<u>ASSETS</u>				
Cash and investments	\$ 19,780	\$ 10,493	\$ 23	\$ 30,250
Receivables:				
Accounts	<u>27</u>	<u>43</u>	<u>27</u>	<u>43</u>
Total Assets	<u>\$ 19,807</u>	<u>\$ 10,536</u>	<u>\$ 50</u>	<u>\$ 30,293</u>
<u>LIABILITIES</u>				
Agency obligations	<u>\$ 19,807</u>	<u>\$ 10,536</u>	<u>\$ 50</u>	<u>\$ 30,293</u>
Total Liabilities	<u>\$ 19,807</u>	<u>\$ 10,536</u>	<u>\$ 50</u>	<u>\$ 30,293</u>

CITY OF AUBURN
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
PLACER COUNTY FACILITIES FEE				
<u>ASSETS</u>				
Cash and investments	\$ 50,612	\$ 22,044	\$ 21,105	\$ 51,551
Total Assets	<u>\$ 50,612</u>	<u>\$ 22,044</u>	<u>\$ 21,105</u>	<u>\$ 51,551</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 6,853	\$ 22,150	\$ 21,106	\$ 7,897
Agency obligations	<u>43,759</u>	<u>22,028</u>	<u>22,133</u>	<u>43,654</u>
Total Liabilities	<u>\$ 50,612</u>	<u>\$ 44,178</u>	<u>\$ 43,239</u>	<u>\$ 51,551</u>
PAYROLL CLEARING				
<u>ASSETS</u>				
Cash and investments	\$ -	\$ 6,820,886	\$ 6,820,886	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 6,820,886</u>	<u>\$ 6,820,886</u>	<u>\$ -</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 12,532	\$ 554,128	\$ 519,131	\$ 47,529
Due to City	29,546	-	29,546	-
Agency obligations	<u>(42,078)</u>	<u>-</u>	<u>5,451</u>	<u>(47,529)</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 554,128</u>	<u>\$ 554,128</u>	<u>\$ -</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.

<u>Contents</u>	<u>Page</u>
Financial Trends	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.	
Revenue Capacity	107 - 110
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	
Debt Capacity	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.	
Economic and Demographic Information	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.	
Operating Information	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									
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Governmental Activities										
Net investment in capital assets	\$ 17,508,894	\$ 21,555,502	\$ 20,966,807	\$ 20,815,460	\$ 21,053,667	\$ 20,545,598	\$ 20,246,737	\$ 19,643,694	\$ 18,768,182	\$ 22,361,140
Restricted	5,089,610	3,000,169	3,296,195	3,323,613	3,413,170	2,759,672	2,112,036	2,118,181	2,122,955	1,878,673
Unrestricted	214,035	311,924	812,150	773,227	(13,999,420)	(11,811,896)	(9,553,738)	(9,967,752)	(10,027,579)	(12,569,667)
Total governmental activities net position	<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>	<u>\$ 10,863,558</u>	<u>\$ 11,670,146</u>
Business-Type Activities										
Net investment in capital assets	\$ 16,358,353	\$ 17,106,731	18,226,969	18,371,032	18,643,735	22,005,703	28,336,829	23,391,752	24,668,220	23,574,055
Restricted	559,263	559,263	559,263	559,263	559,263	559,263	-	-	-	-
Unrestricted	9,075,908	9,180,877	9,238,584	9,395,474	9,518,070	7,116,426	3,688,760	9,432,477	12,856,604	14,995,847
Total business-type activities net position	<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>	<u>\$ 37,524,824</u>	<u>\$ 38,569,902</u>
Primary Government										
Net investment in capital assets	\$ 33,867,247	\$ 38,662,233	\$ 39,193,776	\$ 39,186,492	\$ 39,697,402	\$ 42,551,301	\$ 48,583,566	\$ 43,035,446	\$ 43,436,402	\$ 45,935,195
Restricted	5,648,873	3,559,432	3,855,458	3,882,876	3,972,433	3,318,935	2,112,036	2,118,181	2,122,955	1,878,673
Unrestricted	9,289,943	9,492,801	10,050,734	10,168,701	(4,481,350)	(4,695,470)	(5,864,978)	(535,275)	2,829,025	2,426,180
Total primary government net position	<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>	<u>\$ 48,388,382</u>	<u>\$ 50,240,048</u>

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

	Fiscal Year									
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Expenses										
Governmental Activities:										
General government	\$ 1,340,063	\$ 1,678,027	\$ 1,890,167	\$ 1,474,340	\$ 1,889,941	\$ 1,125,600	\$ 2,144,834	\$ 2,994,356	\$ 3,133,227	\$ 4,148,533
Public safety	5,147,639	5,139,270	5,421,554	6,369,373	6,053,257	6,409,094	6,669,186	7,886,666	8,047,318	9,624,437
Transportation	3,254,955	2,766,145	3,508,302	3,145,072	2,137,436	3,569,520	2,584,346	2,932,160	3,366,073	3,184,476
Community development	881,511	670,701	693,696	934,437	1,513,541	891,621	1,551,508	1,622,255	1,810,099	1,784,400
Interest on long-term debt	539,949	360,834	266,979	258,754	243,174	228,595	219,479	206,005	187,538	172,189
Total Governmental Activities Expenses	11,164,117	10,614,977	11,780,698	12,181,976	11,837,349	12,224,430	13,169,353	15,641,442	16,544,255	18,914,035
Business-Type Activities										
Airport	551,423	647,973	666,373	681,504	760,253	856,554	892,856	806,418	974,751	1,068,671
Sewer	3,543,183	4,128,331	4,108,614	5,040,454	4,684,549	4,944,147	4,644,247	5,658,938	5,109,373	5,412,585
Total Business-Type Activities Expenses	4,094,606	4,776,304	4,774,987	5,721,958	5,444,802	5,800,701	5,537,103	6,465,356	6,084,124	6,481,256
Total Primary Government Expenses	<u>\$ 15,258,723</u>	<u>\$ 15,391,281</u>	<u>\$ 16,555,685</u>	<u>\$ 17,903,934</u>	<u>\$ 17,282,151</u>	<u>\$ 18,025,131</u>	<u>\$ 18,706,456</u>	<u>\$ 22,106,798</u>	<u>\$ 22,628,379</u>	<u>\$ 25,395,291</u>
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 593,738	\$ 548,326	\$ 810,080	\$ 523,315	\$ 580,477	\$ 549,138	\$ 1,370,010	\$ 901,002	\$ 689,733	\$ 643,313
Public safety	30,726	30,093	25,249	24,609	21,097	24,680	99,326	157,876	183,471	238,568
Transportation	225,045	243,660	284,103	265,717	353,966	352,938	360,678	380,508	413,383	413,500
Community development	-	-	-	-	891,621	-	29,346	5,132	-	27,244
Operating grants and contributions	1,700,882	1,115,106	2,565,297	2,574,530	3,652,206	2,329,220	2,629,755	2,686,215	2,335,312	4,165,575
Capital grants and contributions	490,889	492,234	2,468	-	19,666	-	46,316	-	-	2,325,491
Total Governmental Activities Program Revenues	3,041,280	2,429,419	3,687,197	3,388,171	5,519,033	3,255,976	4,535,431	4,130,733	3,621,899	7,813,691
Charges for services:										
Airport	526,017	611,558	630,290	672,754	652,827	680,150	637,958	690,185	677,057	677,914
Sewer	4,635,853	4,899,585	5,388,670	5,218,233	5,653,470	5,881,043	6,527,955	6,668,886	6,714,090	6,590,490
Operating grants and contributions	609,843	1,553	77,692	86,311	84,249	-	-	40,000	324,841	70,385
Capital grants and contributions	-	-	-	-	-	-	85,522	71,733	2,903,177	-
Total Business-Type Activities Program Revenues	5,771,713	5,512,696	6,096,652	5,977,298	6,390,546	6,561,193	7,251,435	7,470,804	10,619,165	7,338,789
Total Primary Government Program Revenues	<u>\$ 8,812,993</u>	<u>\$ 7,942,115</u>	<u>\$ 9,783,849</u>	<u>\$ 9,365,469</u>	<u>\$ 11,909,579</u>	<u>\$ 9,817,169</u>	<u>\$ 11,786,866</u>	<u>\$ 11,601,537</u>	<u>\$ 14,241,064</u>	<u>\$ 15,152,480</u>

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

	Fiscal Year								
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Net (Expense)/Revenue (1)									
Governmental activities	\$ (8,122,837)	\$ (8,185,558)	\$ (8,093,501)	\$ (8,793,805)	\$ (6,318,316)	\$ (8,968,454)	\$ (8,633,922)	\$ (11,510,709)	\$ (12,922,356)
Business-type activities	1,677,107	736,392	1,321,665	255,340	945,744	760,492	1,714,332	1,005,448	4,535,041
 Total Primary Government Net (Expense)	<u>\$ (6,445,730)</u>	<u>\$ (7,449,166)</u>	<u>\$ (6,771,836)</u>	<u>\$ (8,538,465)</u>	<u>\$ (5,372,572)</u>	<u>\$ (8,207,962)</u>	<u>\$ (6,919,590)</u>	<u>\$ (10,505,261)</u>	<u>\$ (8,387,315)</u>
 General Revenues and Other changes in Net Position									
Governmental Activities:									
Taxes:									
Property taxes	\$ 3,454,566	\$ 3,177,351	\$ 3,097,824	\$ 2,627,318	\$ 3,311,186	\$ 3,481,455	\$ 3,668,441	\$ 3,855,830	\$ 4,109,883
Sales and use taxes	2,027,383	2,316,047	2,787,736	2,957,859	3,291,054	4,227,963	4,988,444	4,811,629	5,965,074
In-lieu taxes	832,427	1,011,481	1,231,066	1,470,211	1,291,045	1,464,589	-	-	-
Franchise taxes	622,156	622,265	630,244	632,963	663,639	683,065	708,961	756,161	765,744
Transient occupancy taxes	198,041	211,217	209,158	226,298	241,158	239,656	298,716	323,551	386,102
Other taxes	42,647	37,300	52,759	56,069	64,218	72,330	77,675	86,383	76,032
Grants and contributions - unrestricted	61,677	6,717	6,960	431,011	5,657	5,576	-	-	-
Interest and investment earnings	140,108	59,814	7,934	119,117	58,888	(38,649)	16,920	73,030	93,054
Miscellaneous	58,905	45,704	326,904	52,653	50,735	78,504	132,530	263,213	326,138
Transfers	12,422	10,452	45,801	57,454	44,974	28,908	30,000	330,000	30,424
Loss on sale of capital assets	-	-	-	-	-	-	(23,659)	-	-
Extraordinary gain	-	2,470,706	-	-	-	-	-	-	-
 Total Governmental Activities	<u>7,450,332</u>	<u>9,969,054</u>	<u>8,396,386</u>	<u>8,630,953</u>	<u>9,022,554</u>	<u>10,243,397</u>	<u>9,898,028</u>	<u>10,499,797</u>	<u>11,752,451</u>
 Business-Type Activities									
Property taxes	26,184	26,177	38,568	47,364	30,326	35,083	45,626	51,249	91,565
Interest and investment earnings	129,879	79,770	3,910	38,063	8,076	36,439	24,146	69,943	91,790
Miscellaneous	1,050	21,460	40,000	17,640	87	12,348	55,967	2,000	12,623
Transfers	(12,422)	(10,452)	(45,801)	(57,454)	(44,974)	(28,908)	(30,000)	(330,000)	(30,424)
 Total Business-Type Activities	<u>144,691</u>	<u>116,955</u>	<u>36,677</u>	<u>45,613</u>	<u>(6,485)</u>	<u>54,962</u>	<u>95,739</u>	<u>(206,808)</u>	<u>165,554</u>
 Total Primary Government	<u>\$ 7,595,023</u>	<u>\$ 10,086,009</u>	<u>\$ 8,433,063</u>	<u>\$ 8,676,566</u>	<u>\$ 9,016,069</u>	<u>\$ 10,298,359</u>	<u>\$ 9,993,767</u>	<u>\$ 10,292,989</u>	<u>\$ 11,918,005</u>
 Change in Net Position									
Governmental activities	\$ (672,505)	\$ 1,783,496	\$ 302,885	\$ (162,852)	\$ 2,704,238	\$ 1,274,943	\$ 1,264,106	\$ (1,010,912)	\$ (1,169,905)
Business-type activities	1,821,798	853,347	1,358,342	300,953	939,259	815,454	1,810,071	798,640	4,700,595
 Total Primary Government	<u>\$ 1,149,293</u>	<u>\$ 2,636,843</u>	<u>\$ 1,661,227</u>	<u>\$ 138,101</u>	<u>\$ 3,643,497</u>	<u>\$ 2,090,397</u>	<u>\$ 3,074,177</u>	<u>\$ (212,272)</u>	<u>\$ 3,530,690</u>

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

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

	Fiscal Year								
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
General Fund									
Nonspendable	\$ 57,911	\$ 52,166	\$ 63,016	\$ 68,408	\$ 83,387	\$ 103,084	\$ 81,838	\$ 266,528	\$ 260,955
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	2,659,656
Unassigned	361,665	425,522	679,331	1,127,255	2,301,958	3,123,198	3,796,166	2,748,800	2,334,355
Total General Fund	<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>	<u>\$ 5,254,966</u>
All Other Governmental Funds									
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	3,111,662
Unassigned	(400,405)	(401,645)	(400,801)	(992,262)	(448,511)	(735,137)	(376,992)	(202,193)	(210,262)
Total All Other Governmental Funds	<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>	<u>\$ 2,901,400</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

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

	Fiscal Year								
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Revenues									
Taxes	\$ 7,162,454	\$ 7,510,603	\$ 8,008,787	\$ 7,970,718	\$ 8,871,408	\$ 10,169,058	\$ 9,742,237	\$ 9,833,554	\$ 11,302,835
Licenses and permits	326,069	301,267	631,012	334,890	425,675	363,765	699,752	744,953	510,005
Fines and forfeitures	103,169	74,950	62,369	50,287	48,391	55,479	68,699	130,891	206,888
Use of money and protery	452,064	360,115	299,653	404,117	354,682	257,104	339,164	372,647	409,025
Intergovernmental	2,253,448	1,463,061	2,574,725	3,005,541	3,677,529	2,282,180	2,310,359	2,686,215	2,533,044
Charges for services	108,315	145,561	134,332	143,464	185,680	211,759	687,819	235,331	225,133
Other revenues	58,905	45,704	326,904	52,653	50,735	78,504	242,380	290,283	347,350
Total Revenues	10,464,424	9,901,261	12,037,782	11,961,670	13,614,100	13,417,849	14,090,410	14,293,874	15,534,280
Expenditures									
Current:									
General government	1,194,839	1,510,220	1,755,477	1,285,454	1,535,156	1,624,101	1,856,144	2,288,827	2,973,325
Public safety	5,119,592	5,267,512	5,513,843	6,135,398	5,970,331	6,166,988	6,921,049	7,127,305	7,034,311
Transportation	2,445,107	1,716,030	2,427,123	2,142,154	2,065,210	3,092,363	1,953,480	2,148,445	2,079,268
Community development	878,671	667,861	690,856	934,437	625,686	423,018	913,172	1,273,845	1,058,650
Capital outlay	1,779,017	1,032,454	1,301,682	1,030,225	1,073,781	1,030,281	1,765,191	1,352,992	1,456,612
Debt service									
Principal	208,222	140,383	207,403	331,993	359,490	363,856	418,470	377,477	320,000
Interest	541,889	382,928	268,691	269,490	254,807	243,633	219,479	206,005	187,538
Total Expenditures	12,167,337	10,717,388	12,165,075	12,129,151	11,884,461	12,944,240	14,046,985	14,774,896	15,109,704
Excess of Revenues Over (Under) Expenditures	(1,702,913)	(816,127)	(127,293)	(167,481)	1,729,639	473,609	43,425	(481,022)	424,576
Other Financial Sources (Uses)									
Capital lease	-	-	-	-	-	-	211,214	-	-
Issuance of debt	-	-	643,021	-	-	99,876	-	-	-
Transfers in	590,279	135,091	194,531	198,963	205,896	627,682	1,009,546	530,866	1,201,989
Transfers out	(577,857)	(124,639)	(148,730)	(141,509)	(160,922)	(598,774)	(979,546)	(200,866)	(1,171,565)
Total Other Financial Sources (Uses)	12,422	10,452	688,822	57,454	44,974	128,784	241,214	330,000	30,424
Extraordinary Loss	-	(1,498,454)	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ (1,690,491)	\$ (2,304,129)	\$ 561,529	\$ (110,027)	\$ 1,774,613	\$ 602,393	\$ 284,639	\$ (151,022)	\$ 455,000
Debt Service as a Percentage of Noncapital Expenditures	7.22%	5.40%	4.38%	5.42%	5.68%	5.10%	5.19%	4.35%	3.72%

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 Unitary</u>	<u>Total Assessed Value</u>	<u>Total Direct Tax Rate</u>
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%
2018-19	1,923,519,424	116,301,599	6,208,850	2,046,029,873	0.175%
2019-20	2,025,997,282	128,951,937	6,003,350	2,160,952,569	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)	College Bond	Nevada Irrigation	Placer Union High	Total Rate (b)				
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
2018/19	1.00	-	-	0.02355	1.02355	0.17470	-	-	0.17470
2019/20	1.00	0.0158	-	0.04537	1.06116	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	Fiscal Year 2019/20	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Auburn Creekside LLC	\$ 20,101,955	0.93%
Miltenyi Biotech	13,308,662	0.62%
Reneson Hotels, Inc.	12,057,500	0.56%
UAIC Development Corporation	9,724,240	0.45%
Regal Cinemas, Inc.	7,442,905	0.34%
RMP Properties LLC	7,000,000	0.32%
MP Core Persimmon Terrace, LLC	6,243,930	0.29%
Foothill Terrace Apts., LLC	6,192,744	0.29%
Auburn Town Square LLC	5,959,446	0.28%
Auburn Nevada Street Property LLC	5,459,267	0.25%
	<u>\$ 93,490,649</u>	<u>4.33%</u>
Total City of Auburn assessed property valuation Fiscal Year 2019/20		<u>\$ 2,160,952,569</u>

Taxpayer	Fiscal Year 2010/11	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Auburn Creekside, LLC	\$ 12,306,000	0.79%
Reneson Hotels, Inc.	12,185,121	0.78%
Abbey Co	12,007,471	0.77%
Regal Cinemas, Inc.	10,402,475	0.66%
UAIC Development Corporation	8,435,942	0.54%
Foothill Terrace Apartments	5,333,733	0.34%
Morgan Technical Ceramics	5,331,400	0.34%
Fine Particle Technology Group	4,735,391	0.30%
United Natural Foods, Inc.	4,604,278	0.29%
Nella Oil Company	4,280,490	0.27%
Persimmon Terrace Apartments	3,948,406	0.25%
1616 I Street Properties	3,905,000	0.25%
	<u>\$ 87,475,707</u>	<u>5.59%</u>
Total City of Auburn assessed property valuation Fiscal Year 2010/11 (including AUDA)		<u>\$ 1,565,520,527</u>

Source:
Placer County Assessor's Office

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

Fiscal Year	Tax Levied Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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%
2018-19	4,109,883	4,109,883	100.0%	-	4,109,883	100.0%
2019-20	4,226,462	4,226,462	100.0%	-	4,226,462	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				
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
2018-2019	2,840,000	-	-	-	127,698	2,967,698	9,502,925	6,548,963	16,051,888	19,019,586	3.20%	0.93%	1,322
2019-2020	2,480,000	-	-	-	140,530	2,620,530	9,086,006	6,300,514	15,386,520	18,007,050	2.87%	0.83%	1,234

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

Fiscal Year	General Bonded Debt Outstanding		Percent of Assessed Value (1)	Population	Per Capita
	Pension Obligation Bonds	Total			
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
2018-2019	2,840,000	2,840,000	0.14%	14,392	197
2019-2020	2,480,000	2,480,000	0.11%	14,594	170

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, 2020

City Assessed Valuation		<u>\$ 2,160,952,569</u>	
	Percent Applicable	Outstanding Debt June 30, 2020	Share of Overlapping Debt
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Sierra Joint Community College District School Facilities Improvement 4	3.137%	\$ 80,000,000	\$ 2,509,600
Placer Union High School District School Facilities Improvement No. 1	38.695%	22,000,000	8,512,900
Placer Union High School District School Facilities Improvement No. 2	0.004%	40,300,000	1,612
Placer Union High School District	14.575%	<u>22,162,376</u>	<u>3,230,166</u>
Total Overlapping Tax and Assessment Debt		<u>\$ 164,462,376</u>	<u>\$ 14,254,278</u>
OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Placer County General Fund Obligations	2.729%	\$ 22,480,000	\$ 613,479
Placer County Office of Education Certificates of Participations	2.729%	700,000	19,103
Sierra Joint Community college District General Fund Obligations	2.075%	2,660,000	55,195
Auburn Union School District Certificates of Participation	41.083%	39,125,460	16,073,913
Loomis Union School District Certificates of Participation	0.004%	1,015,000	41
Placer Mosquito and Vector Control District COPS	2.729%	<u>2,666,000</u>	<u>72,755</u>
Total Overlapping General Fund and Obligation Debt		<u>68,646,460</u>	<u>16,834,486</u>
OVERLAPPING TAX INCREMENT DEBT:	100.000%	<u>3,855,000</u>	<u>3,855,000</u>
Total Overlapping Debt		<u>236,963,836</u>	<u>34,943,764</u>
DIRECT GENERAL FUND OBLIGATION DEBT:			
City of Auburn Pension Obligations	100.000%	2,480,000	2,480,000
Capital leases	100.000%	<u>140,530</u>	<u>140,530</u>
Total Direct Debt		<u>2,620,530</u>	<u>2,620,530</u>
Total Combined Debt		<u>\$ 239,584,366</u>	<u>\$ 37,564,294</u>
RATIOS TO 2019/20 ASSESSED VALUATION:			
Total Overlapping Tax and Assessment Debt	0.660%		
RATIOS TO ADJUSTED ASSESSED VALUATION:			
Combined Direct Debt (\$2,620,530)	0.121%		
Combined Total Debt	1.740%		

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, 2020

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 6/30/2020	(2,840,000)
Total sewer revenue bonds at 6/30/2020	<u>(6,548,963)</u>
Legal debt margin	<u><u>\$ 58,588,820</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			
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%
2019	14,392	594,086	41,279	2,046,029,873	142,164	2.7%
2020	14,594	626,574	42,934	2,160,952,569	148,071	13.4%

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

**CITY OF AUBURN
PRINCIPAL EMPLOYERS
2020**

<u>Employer</u>	<u>Fiscal Year 2019/20</u>		<u>Fiscal Year 2012/13</u>
	<u>No. of Employees</u>	<u>Percent of Total Employment</u>	<u>No. of Employees</u>
Placer County Office of Education	419	6.25%	-
Auburn Union School District	196	2.93%	-
Pride Industries	155	2.31%	150
Help At Home Senior Care	150	2.24%	-
Placer County (Domes Offices)	134	2.00%	59
Flyers Energy	124	1.85%	84
Save Mart	110	1.64%	-
Placer Union School District	97	1.45%	-
City of Auburn	85	1.27%	80
Auburn Journal	58	0.87%	90
Placer County Water Agency*	-	-	150
AT&T	-	-	94
Miltenyi Biotech	-	-	55
United States Post Office	-	-	68
Auburn Placer Disposal - Recology*	-	-	80

Note:

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

Source: MuniServices, LLC

Source: 2012-13 previously published CAFR. Nine years prior data is unavailable.

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

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City Council	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
City Manager's Office	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Economic Development	-	-	-	-	-	-	-	1.0	1.0	1.0
City Clerk's Office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0
Finance / Administrative Services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.5
Community Development	5.5	5.5	5.5	4.0	3.0	3.0	4.0	4.0	4.0	3.0
Police Department	27.0	28.0	28.0	28.0	26.0	26.0	26.5	27.0	28.0	30.0
Fire Department	11.0	11.0	16.0	16.0	14.0	14.0	13.5	15.0	15.0	22.0
Public Works	18.5	17.5	18.0	18.0	17.0	17.0	18.0	17.0	17.0	17.0
Total Full-Time Equivalent Employees:	<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>	<u>76.0</u>	<u>84.5</u>

Source: Administrative Services Department, City of Auburn

CITY OF AUBURN
Operating Indicators
Last Ten Fiscal Years

	Fiscal Year								
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
AUBURN AIRPORT:									
Tie-downs per year	802	884	884	884	884	884	1,007	1,029	928
Hangar rentals per year	73	62	62	62	108	108	109	109	109
Gallons of fuel sold per year	134,040	168,422	192,481	169,754	204,299	201,945	206,940	248,927	209,344
ENVIRONMENT AND UTILITIES:									
Gallons of wastewater treated per year (in millions)	612	506	501	423	363	374	494	396	439
FIRE:									
Fires per year	114	86	110	136	95	75	120	96	66
Emergency medical calls per year	1,238	1,317	1,377	1,224	1,262	1,175	1,406	1,407	1,388
Hazardous materials incidents per year	51	36	40	29	36	38	59	52	49
Non-emergency service calls per year	312	257	297	432	411	481	532	554	541
POLICE:									
911 calls per year	2,665	306	4,442	5,194	4,964	4,780	4,835	4,733	4,953
Arrests per year	770	542	689	687	775	535	944	686	578
BUILDING PERMITS:									
Building permits issues per year	660	484	473	528	607	679	665	777	807
New building and alteration valuation	\$ 11,844,465	\$ 10,573,919	\$ 14,845,275	\$ 12,993,989	\$ 18,597,176	\$ 16,251,607	\$ 41,939,654	\$ 34,367,446	\$ 23,489,518

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

CITY OF AUBURN
Capital Asset Statistics
Last Ten Fiscal Years

	Fiscal Year								
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
AUBURN AIRPORT:									
Terminals (Airport Management Building)	1	1	1	1	1	1	1	1	1
Runways	1	1	1	1	1	1	1	1	1
Airport hangars	81	81	81	81	108	108	108	108	108
ENVIRONMENT AND UTILITIES:									
Miles of municipal sewer mains	62	62	62	50	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
FIRE:									
Full-time staffed stations	1	1	1	1	1	1	1	1	1
Volunteer stations	2	2	2	2	2	2	2	2	2
POLICE:									
Stations	1	1	1	1	1	1	1	1	1
Vehicles and motorcycles	29	29	23	29	29	29	29	29	29
COMMUNITY DEVELOPMENT:									
Miles of municipal roadways	62	62	62	62	62	62	62	62	62
Pocket park sites	11	11	11	11	11	11	11	11	11

Source: City of Auburn