



CITY OF AUBURN

CALIFORNIA



**Annual Comprehensive
Financial Report
Fiscal Year Ended
June 30, 2023**

**CITY OF AUBURN, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
AS OF JUNE 30, 2023**

**Prepared by:
FINANCE DEPARTMENT**

CITY OF AUBURN
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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INTRODUCTORY SECTION





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June 7, 2024

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

THE ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF AUBURN

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Auburn for the Fiscal Year July 1, 2022 through June 30, 2023. Although addressed to the City's governing body and its citizens, the ACFR 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 ACFR.

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 ACFR 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 2022-23 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.

"Endurance Capital of the World"

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; economic development; 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 14,433. 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 continued to maintain responsible levels of General Fund balance, 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 through June 2023. Throughout the fiscal year, the City continued to manage General Fund expenditures while navigating a decline in sales tax revenue and normal increased levels of property tax. Continued updates to a five-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 decrease in General Fund balance of approximately \$1.3 million primarily due to higher personnel costs and a sharp decline in sales tax revenue. General Fund committed and unassigned fund balance of \$7.1 million represents 35.8% of total operating expenditures incurred for the fiscal year ended June 30, 2023. The City continues positioning itself to address the decline in sales tax against increasing Citywide costs to improve and enhance its viability in coming years.

The City remains 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, 2023 include the following:

- ❖ The Auburn Municipal Airport, following the issuance of a new lease to develop six new rows of hangars, commenced the design of the water infrastructure necessary to supply the new hangars. Additionally, the Airport received a grant from the Federal Aviation Administration (FAA) to update the Airport Master Plan.
- ❖ The Auburn Transit Program has seen a steady increase in ridership post COVID-19 pandemic. For fiscal year 2022-23, Auburn Transit served 28,611 passengers on its Auburn Loop and Auburn On-Demand services. This is the highest overall ridership Auburn Transit has seen since before the start of the pandemic. The resurgence of passengers can be attributed to the popularity in the Auburn On-Demand microtransit service. Auburn On-Demand passengers accounted for 72% of the total for the whole fiscal year. This service gives the community the ability to travel to more desired places throughout Auburn city limits and parts of unincorporated Placer County than ever before. Auburn On-Demand alone served an average of 56.4 riders per day which is an increase of 32% from the previous years.
- ❖ The Auburn Public Works Department successfully completed multiple Capital Improvement Program (CIP) projects and a street overlay project on six different arterial sections of the City. During the same period, a sewer system improvement project was also completed at eleven previously identified problem areas within the City. This project included removing failing vitrified clay piping (VCP) and replacing it with SDR 26 PVC, rehabilitating manholes, repairing damaged sewers using cured-in-place-piping (CIPP), installing new sewer flushing lines, replacing disturbed lateral service connections, and restoring any disturbed pavement, sidewalks, curbs, and gutters. Additionally, the Crimson Court & Sunrise Ridge storm drain rehabilitation project was carried out. This involved replacing the current drainpipe on Crimson Court with a parallel drain line and removing and replacing the storm drainpipe on Sunrise Ridge Circle.

- ❖ The Auburn Police Department embraced significant technological upgrades during fiscal year 2022-23. This included integrating six Flock cameras for real-time surveillance of wanted vehicles, introducing CueHit for public feedback, implementing Live911 for real-time emergency call listening, deploying Project Lifesaver for tracking vulnerable individuals, adopting a new drone for advanced aerial surveillance, installing First Arriving TVs for department information in the lobby, utilizing internal TV systems for employee updates, and introducing an Apex Officer for specialized training, all of which improved operational efficiency.
- ❖ The Auburn Police Department expanded its fleet with Tahoe's, MRAP, and ATV vehicles, while making significant upgrades to its infrastructure. This included overhauling the shooting range for safer and more efficient officer training and remodeling the Sergeant's office to accommodate the growing team and enhance productivity.
- ❖ The Auburn Police Department appointed a new Code Enforcement Officer, formed a Problem-Oriented Policing (POP) Team, and added two School Resource Officers. The dispatch center achieved CIBRS "Certified" status and received commendation for high 911 answer times. The Department hosted major events like National Night Out and the Light Parade, and organized the first Gun Buy Back. Through fundraising, the Department acquired the Law Enforcement Torch Run "Flame of Hope" for the Special Olympics. Additionally, the Department received the Mother Against Drunk Driving Champion Award and Gold awards from Lexipol for the hard work in training and policy review. The fiscal year marked significant technological innovation, community engagement, and organizational enhancement.
- ❖ The Auburn Fire Department received grant funding from the Sierra-Sacramento Valley Emergency Medical Services (EMS) Agency's Placer County EMS Fund Improvement Award. The funds were used to purchase two LUCAS 3 CPR Chest Compression Systems. These automated devices have been proven to deliver high-quality and consistent chest compressions, increasing the survival rate of individuals requiring CPR. The Department also received a rebate award from the Placer County Water Agency to complete Firewise and water-wise landscape improvements at Station #1. The improvements allow the Fire Department to display a positive Firewise example to our community members and stakeholder groups. A fire inspection services fee study was completed revealing the fee schedule was not allowing for appropriate cost recovery. City Council approved the new fee schedule and the updates to be implemented in fiscal year 2023-24.
- ❖ The Community and Economic Development Department continues to work to implement software for permits and land use actions thereby allowing the public to apply for these actions and access records online. Along with this modernization of systems the Department has begun to digitize the Building Divisions paper records to enhance the accuracy and ease of accessing information on individual properties.
- ❖ The City of Auburn Memorandums of Understanding (MOUs) with the City's workforce expired at the close of the fiscal year. Following negotiations between the City's Labor Consultant and staff, agreements were reached with the city's five labor

groups. These negotiations led to salary and benefit increases aimed at bolstering the strength of the workforce.

- ❖ In March 2023, the City underwent a restructuring of the Administrative Services Department. As part of this reorganization, the Human Resources function was established as its own department to enhance internal resources and expertise in human resources matters.

LONG-TERM FINANCIAL PLANNING AND INITIATIVES

Fiscal Summary

The Fiscal Year 2022-23 General Fund Amended Budget is \$19,821,997, representing an increase of 9% over FY 2021-22 actual expenditures. This increase is primarily attributable to the following factors:

- ✓ Total capital expenditures are higher than the prior year due to utilization of General Fund, fund balance for the Crimson Court/Sunrise Ridge Stormwater project of \$894,098;
- ✓ Spending on American Rescue Plan Act (ARPA) projects and initiatives totaled \$456,366. Planned projects include, but are not limited to, the processes for updating elements of the City's General Plan, Carnegie Library Improvements, Park Preserve Multi-Use Improvements, and a wayfinding plan;
- ✓ Higher labor costs due to addition of upwards of 20 FTE's in fiscal year 2021-22 and through fiscal year 2022-23 for positions Citywide in multiple departments.

Revenues:

Sales Tax is the largest single revenue source for the General Fund. FY 2023-24 Sales taxes are anticipated to be \$7.5 million and represent 40% of total General Fund revenues. This represents a decline in sales tax receipts of \$1.3 million since the prior fiscal year with projections into FY 2023-24 of an additional decline of \$400,000. The previously projected upward trend in sales tax deemed associated with a resiliency from the impacts of the COVID-19 pandemic did not materialize as the consumer behavior adjusted to post-pandemic spending patterns. Sales tax revenues are not anticipated to rebound to prior levels and instead projections show modest year-over-year increases of about 2%.

Property Taxes are the second largest revenue source in the General Fund. Assessed valuation (AV) is anticipated to increase this year by approximately 5% over the prior year. The economy is positively impacting property tax revenue which the City collects for services such as police, fire, administration and code enforcement. The City anticipates \$5.2 million in property tax revenue for Fiscal Year 2023-24, representing 28% of total revenues received in the General Fund.

Public Works:

Capital Improvement Projects: The budget adopted for Fiscal Year 2023-24 includes more than \$6.3 million appropriated for all capital projects, among the largest projects

being a \$890,000 for sewer collection system rehabilitation, and the Diamond Ridge Lift Station project at \$775,000.

As the City continues to strive to identify alternative funding sources for public infrastructure including streets, sidewalks and other public infrastructure, it is anticipated that the City will continue to evolve the five-year capital improvements plan initiated with the FY 2023-24 budget development process.

City Administration:

The City of Auburn is expected to continue implementing technological infrastructure during FY 2023-24, including furthering the City's new "ERP" financial system and suite of other applications; and enhancements to the City's technology hardware as well as working to digitize much of the City's records for records retention, reporting, transparency and ease of access for all stakeholders.

Citywide Staffing:

The City added several FTE positions during FY 2022-23, 1 Administrative Assistant for the Airport / Economic Development, 1 Management Analyst for the City Manager's Office, 1 Public Works Manager – Engineer, 1 Management Analyst for the Airport, and the reclassification of the Economic Development & Planning Manager to Director of Community and Economic Development.

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.

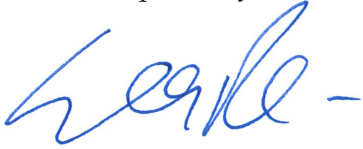
The City continues to meet its responsibility for sound financial management as demonstrated by the statements and schedules included in the financial section of this report.

The preparation of this ACFR 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.

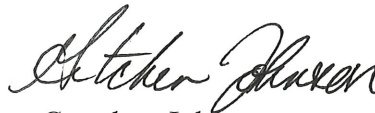
In addition, staff in all City departments should be recognized for their timely and positive response to the requests for detailed information necessary to prepare the annual audit.

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,



Sean Rabé
City Manager



Gretchen Johnson
Finance Director



2023

City of Auburn Annual Comprehensive Financial Report

Project Team

Sean Rabé , City Manager

Gretchen Johnson, Finance Director

Administrative Staff

Cristina Shafer, Finance Analyst

Special Assistance

Mengil Deane, Public Works Director

Ryan Kinnan, Chief of Police

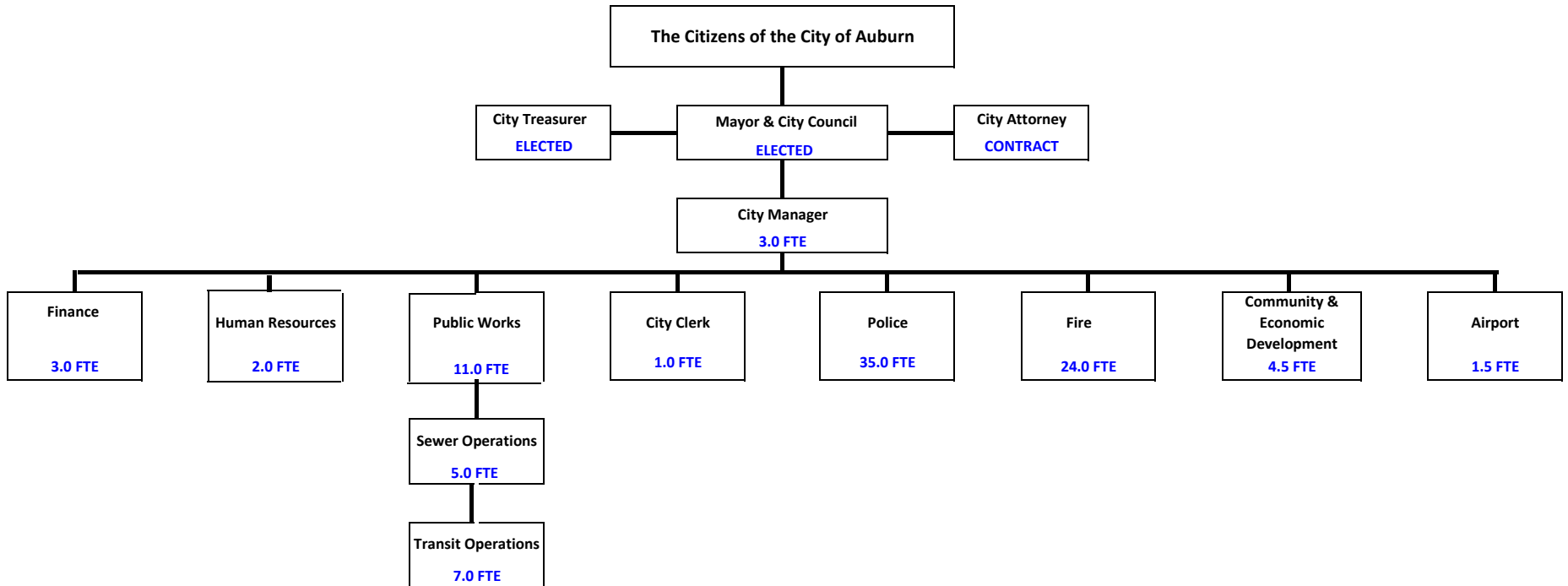
Jennifer Leal, Human Resources Director

John Rogers, Fire Chief

CITY OF AUBURN
ELECTED OFFICIALS
JUNE 30, 2023

Mayor	Sandra Amara
Vice Mayor	Alice Dowdin-Calvillo
Council Member	Rachel Radell-Harris
Council Member	Daniel Berlant
Council Member	Matt Spokely

The listing above is as of the fiscal year-end.



Total Full Time Equivalent Positions Authorized - FY 2022-23

97.0

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

To the City Council of
the City of Auburn
Auburn, California

Report on the Audit of the Financial Statements

Opinions

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 (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension related schedules, and the schedule 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor governmental fund financial statements and budgetary comparison schedules and the fiduciary funds and combining statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 fiduciary funds and combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

MMN CPAs, LLP

Sacramento, California
June 6, 2024

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CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

This section of the City of Auburn California's Annual Comprehensive Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2023. 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

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by \$49,189,076 (total net position). Of this amount, there is an unrestricted net position of \$(362,538) to meet long-term and ongoing obligations to citizens, employees and creditors. There is \$1,909,754 restricted for public safety programs, street maintenance and construction, fire protection services, community development and capital projects.
- As of June 30, 2023, the City governmental funds reported combined fund balances of \$8,317,101. Approximately \$5,789,065 of the combined fund balances, or 70%, is available to meet the City's current and future needs (committed and unassigned fund balance).
- An annual deficit of \$(1,250,519) was realized in the City's General fund during the fiscal year. Total General fund balance as of June 30, 2023 was \$7,362,417.

OVERVIEW OF THE ANNUAL COMPREHENSIVE 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 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, 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'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, 2023

Fund Financial Statements

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

- General Fund

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.
- Custodial funds are used to record assets of separate organizations for which the City serves as a custodian.

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

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'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, 2023 and 2022
(in thousands)

	Governmental Activities			Business-Type Activities			Total Government		
	2023	2022	Net Change	2023	2022	Net Change	2023	2022	Net Change
ASSETS									
Current and other assets	\$ 22,389	\$ 32,690	\$ (10,301)	\$ 22,099	\$ 24,289	\$ (2,190)	\$ 44,488	\$ 56,979	\$ (12,491)
Capital assets	<u>19,296</u>	<u>20,574</u>	<u>(1,278)</u>	<u>41,971</u>	<u>39,636</u>	<u>2,335</u>	<u>61,267</u>	<u>60,210</u>	<u>1,057</u>
Total Assets	<u>41,685</u>	<u>53,264</u>	<u>(11,579)</u>	<u>64,070</u>	<u>63,925</u>	<u>145</u>	<u>105,755</u>	<u>117,189</u>	<u>(11,434)</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>15,532</u>	<u>13,049</u>	<u>2,483</u>	<u>1,821</u>	<u>1,798</u>	<u>23</u>	<u>17,353</u>	<u>14,847</u>	<u>2,506</u>
LIABILITIES									
Current and other liabilities	6,445	6,234	211	1,760	1,230	530	8,205	7,464	741
Long-term liabilities	<u>25,519</u>	<u>20,215</u>	<u>5,304</u>	<u>14,737</u>	<u>14,932</u>	<u>(195)</u>	<u>40,256</u>	<u>35,147</u>	<u>5,109</u>
Total Liabilities	<u>31,964</u>	<u>26,449</u>	<u>5,515</u>	<u>16,497</u>	<u>16,162</u>	<u>335</u>	<u>48,461</u>	<u>42,611</u>	<u>5,850</u>
DEFERRED INFLOWS OF RESOURCES	<u>17,311</u>	<u>26,758</u>	<u>(9,447)</u>	<u>8,146</u>	<u>9,418</u>	<u>(1,272)</u>	<u>25,457</u>	<u>36,176</u>	<u>(10,719)</u>
NET POSITION									
Net investment in capital assets	18,669	19,863	(1,194)	28,973	26,165	2,808	47,642	46,028	1,614
Restricted	1,910	2,497	(587)	-	-	-	1,910	2,497	(587)
Unrestricted	<u>(12,637)</u>	<u>(9,254)</u>	<u>(3,383)</u>	<u>12,275</u>	<u>13,978</u>	<u>(1,703)</u>	<u>(362)</u>	<u>4,724</u>	<u>(5,086)</u>
Total Net Position	<u>\$ 7,942</u>	<u>\$ 13,106</u>	<u>\$ (5,164)</u>	<u>\$ 41,248</u>	<u>\$ 40,143</u>	<u>\$ 1,105</u>	<u>\$ 49,190</u>	<u>\$ 53,249</u>	<u>\$ (4,059)</u>

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Governmental Activities

The City's governmental net position amounted to \$7.9 million as of June 30, 2023, a decrease of approximately \$5 million over the fiscal year ended June 30, 2022. This decrease is the change in net position reflected in the Governmental Activities column of the Statement of Activities, including pension adjustments reflected in Table 1. The City's net position from governmental activities as of June 30, 2023, is comprised of the following:

- Cash and investments comprised \$9,734,413 in the City treasury. 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, intergovernmental, and leases receivable comprised \$9,834,875, a decrease of \$1,853,519 over the previous year primarily due to the implementation of GASB 87, *Leases*.
- Loans receivable comprised \$2,161,914, all of which represents loans provided by the City's Home Investment Partnerships Program to support first time homebuyers and housing rehabilitation and Community Development Block Grant Program to support small business development.
- Capital assets of \$19,295,530, 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 \$5,087,660.
- A net pension liability of \$6,113,376.
- A total OPEB liability of \$1,781,835.
- Long-term liabilities comprised \$18,981,016, which includes Pension Obligation Bond Series A-1, issued in 2006, and 2021 Taxable Pension Obligation Bonds, issued in 2021.
- Net position invested in capital assets net of related debt of \$18.7 million, a decrease over the previous year (\$19.9 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 \$1,909,754 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 \$12,637,067 as of June 30, 2023. 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 \$13,880,890 in the City Treasury.
- Current accounts, taxes, intergovernmental and leases receivable comprised \$8,218,205.
- Total capital assets of \$41,971,428, net of accumulated depreciation.
- Current liabilities, including accounts and interest payable, and deposits, comprised \$1,186,219.
- A net pension liability of \$433,815.
- A total OPEB liability of \$95,124.
- Long-term liabilities comprised \$14,782,940.
- Net position invested in capital assets net of related debt of \$28,973,254, 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 \$12,274,529.

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Table 2
Changes in Net Position
For the Years Ended June 30, 2023 and 2022
(in thousands)

	Governmental Activities			Business-Type Activities			Total Government		
	2023	2022	Net Change	2023	2022	Net Change	2023	2022	Net Change
REVENUES									
Program revenues									
Charges for services	\$ 1,661	\$ 1,017	\$ 644	\$ 7,511	\$ 7,360	\$ 151	\$ 9,172	\$ 8,377	\$ 795
Operating grants and contributions	3,493	2,839	654	-	109	(109)	3,493	2,948	545
Capital grants and contributions	-	93	(93)	941	-	941	941	93	848
General revenues									
Taxes	14,479	15,318	(839)	87	86	1	14,566	15,404	(838)
Interest and investment loss	346	174	172	362	140	222	708	314	394
Other revenue	149	146	3	-	-	-	149	146	3
Transfers	61	102	(41)	(61)	(102)	41	-	-	-
Total Revenues	20,189	19,689	500	8,840	7,593	1,247	29,029	27,282	1,747
EXPENSES									
Governmental activities									
General government	4,872	2,795	2,077	-	-	-	4,872	2,795	2,077
Public safety	10,901	7,990	2,911	-	-	-	10,901	7,990	2,911
Transportation	7,179	3,564	3,615	-	-	-	7,179	3,564	3,615
Community development	1,869	1,565	304	-	-	-	1,869	1,565	304
Interest on long-term liabilities	534	552	(18)	-	-	-	534	552	(18)
Airport	-	-	-	1,199	1,072	127	1,199	1,072	127
Sewer	-	-	-	6,536	5,800	736	6,536	5,800	736
Total Expenses	25,355	16,466	8,889	7,735	6,872	863	33,090	23,338	9,752
Change in net position	(5,166)	3,223	(8,389)	1,105	721	384	(4,061)	3,944	(8,005)
Net position - beginning of year	13,107	9,780	3,327	40,143	39,421	722	53,250	49,201	4,049
Restatement	-	104	(104)	-	-	-	-	104	(104)
Net position - beginning of year, restated	13,107	9,884	3,223	40,143	39,421	722	53,250	49,305	3,945
Net position - end of year	\$ 7,941	\$ 13,107	\$ (5,166)	\$ 41,248	\$ 40,142	\$ 1,106	\$ 49,189	\$ 53,249	\$ (4,060)

Governmental Activities

Governmental activities net position increased to \$7,941,293 during fiscal year 2022-23.

This decrease is primarily attributable to an increase in General Government and Public Safety costs related to the GASB 68 Pension Liability adjustment, which increased the total pension liability for the City as a whole (see Notes 6 and 8 to the Financial Statements). Additionally, several one-time projects were undertaken in the General Fund including the Crimson Court/Sunrise Ridge Storm Drain Project and significant amounts contributed towards transportation-related projects.

As Table 2 above shows, \$5,153,611 of the City's fiscal year 2022-23 revenue is derived from program revenues, while \$15,036,066 is derived from general revenues such as taxes, rents and interest.

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Program revenues are composed of fees and charges for services of \$1,660,725 that include permit revenues, fees and charges used to fund expenses incurred in providing services; and \$3,492,886 of operating grants and contributions which include gas tax, transportation development allocations, transportation grants, and public safety allocations and grants. General revenues are not allocable to programs but are used to pay for the net costs of governmental programs.

Business-Type Activities

Business-type activities net position increased to \$41,247,783 during fiscal year 2022-23.

Net position in the City's Airport fund increased by \$629,302 during fiscal year 2022-23. The increase is primarily attributable to the receipt of grant funding related to reimbursed projects undertaken in prior years. It should be mentioned that liquid working capital in the Airport Fund increased to \$2.43 million in FY 2022-23 from \$2.23 million in FY 2021-22.

Net position in the City's Sewer fund increased \$475,495 during fiscal year 2022-23. The increase is primarily attributed to lower-than-anticipated capital expenditures during fiscal year 2022-23; and collections of revenues in excess of operating, cash-based expenditures. Liquid working capital in the Sewer Fund decreased to \$11.2 million in FY 2022-23 from \$13.1 million in FY 2021-22 due to higher expenditures on capital projects offset by lower expenditures on supplies, materials, and operations at the Wastewater Treatment Facility.

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, 2023 and 2022
(in thousands)

	2023		2022		Variance	% Change
	Amount	% of Total	Amount	% of Total		
Taxes	\$ 14,479,631	68.0 %	\$ 15,318,064	82.0 %	\$ (838,433)	(5.5)%
Licenses and permits	661,402	3.1 %	430,820	2.3 %	230,582	53.5 %
Fines and forfeitures	101,777	0.5 %	54,483	0.3 %	47,294	86.8 %
Use of money and property	659,563	3.1 %	473,074	2.5 %	186,489	39.4 %
Intergovernmental	4,661,558	21.8 %	1,762,957	9.4 %	2,898,601	164.4 %
Charges for services	566,920	2.7 %	221,049	1.2 %	345,871	156.5 %
Other revenues	173,110	0.8 %	435,128	2.3 %	(262,018)	(60.2)%
	<u>\$ 21,303,961</u>	<u>100.0 %</u>	<u>\$ 18,695,575</u>	<u>100.0 %</u>	<u>\$ 2,608,386</u>	<u>14.0 %</u>

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Collections of taxes decreased by \$838,433, primarily due to a decrease in sales taxes related to fuel sales. It is widely speculated that trucking/transportation facilities speculated on the price of fuel during FY 2021-22 when the collections of sales taxes were very high due to volatility in the price of fuel. As such, more fuel than usual was purchased by these companies, leading to a one-time spike in sales taxes during FY 21-22 which has not continued thereafter.

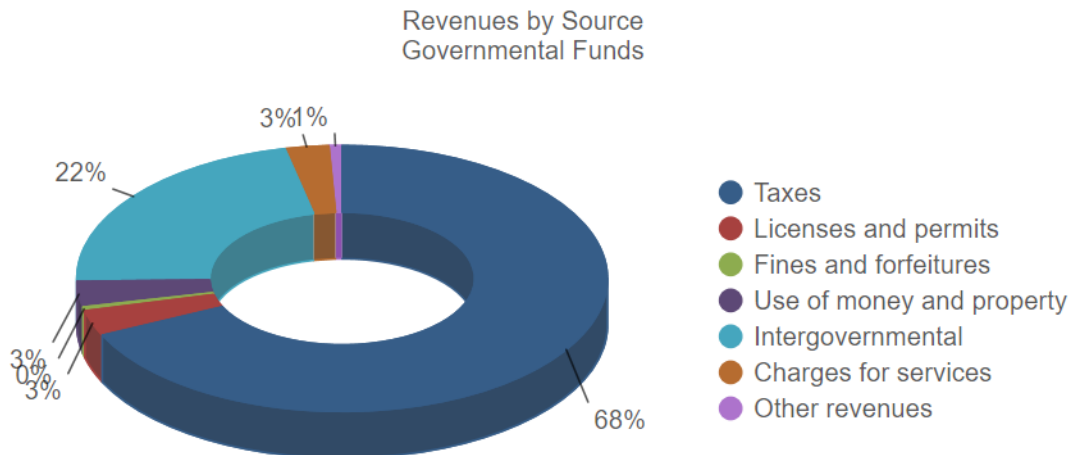
Collections of licenses and permits increased by \$230,582 due primarily to lower levels of development activity (collections of building permits and plan check revenues) Citywide.

Collections of fines, forfeitures and penalties increased by \$47,294 due to decreased amounts of civil and law enforcement fines and administrative citations, resulting from an uptick in court activity and local enforcement activity, respectively.

Collections of intergovernmental revenues increased by \$2,898,601 million primarily due to the multi-year receipt of local transportation funding received for the City's transportation and transit programs. Funding for these programs was deferred during FY 2021-22 due to not receiving the funds in time for recognition as revenue. These funds were ultimately received during FY 2022-23, along with recognition of the FY 2022-23 funding consistent with the 60-day modified accrual period used for the City's governmental funds.

Collections of charges for services increased by \$345,871 primarily due to higher collections of Fire Strike Team reimbursements and impact fees.

Collections of other revenues decreased by \$262,018 primarily due to lower collections of First Time Homebuyer loan repayments (there was a large one-time payment made towards an active loan in FY 2021-22).



CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Table 4
Expenditures by Function
Governmental Funds
For the Years Ended June 30, 2023 and 2022
(in thousands)

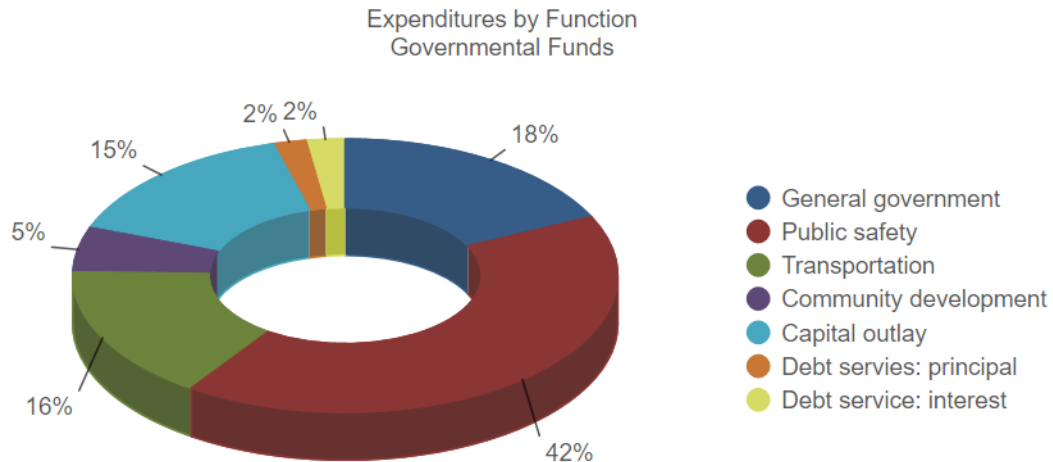
	2023		2022		Variance	% Change
	Amount	% of Total	Amount	% of Total		
General government	\$ 4,120,757	17.9 %	\$ 3,147,134	18.0 %	\$ 973,623	30.9 %
Public safety	9,562,011	41.6 %	8,548,145	49.1 %	1,013,866	11.9 %
Transportation	3,647,070	15.9 %	2,438,902	14.0 %	1,208,168	49.5 %
Community development	1,216,014	5.3 %	936,425	5.4 %	279,589	29.9 %
Capital outlay	3,452,146	15.0 %	1,294,453	7.4 %	2,157,693	166.7 %
Debt service: principal	448,409	2.0 %	501,470	2.9 %	(53,061)	(10.6)%
Debt service: interest	533,568	2.3 %	551,891	3.2 %	(18,323)	(3.3)%
	<u>\$ 22,979,975</u>	<u>100.0 %</u>	<u>\$ 17,418,420</u>	<u>100.0 %</u>	<u>\$ 5,561,555</u>	<u>31.9 %</u>

The \$5,561,555 increase in governmental fund expenditures during the fiscal year 2022-23 can be primarily attributed to the following:

A \$1 million increase in public safety expenditures related to an increase in Police staffing costs due to the addition of positions and overall salary increases impacting salary and benefits costs; and Fire staffing costs due to increased overtime and salary increases impacting salary and benefit costs.

A \$1.2 million increase in transportation expenditures related to a one-time project undertaken to repair the Crimson Court/Sunrise Ridge Storm Drain.

A \$2.2 million increase in capital outlay related to the use of transportation-related funding (Local Transportation Funding; Gas Tax; General Fund) towards the City's Street Overlay Program.



CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

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 \$106,135 or 0.6%. This slight increase can be attributed to higher overall collections of property taxes, franchise fees, and intergovernmental funding offset by the significant decrease in sales tax collections. The General Fund experienced an overall increase in expenditures of \$2,623,110 or 17.1%. This increase can be attributed to the growth in citywide salaries due to the addition of staff and programmed salary increases; in addition to numerous one-time projects undertaken that were funded by General Fund Reserves.

At June 30, 2023, the General Fund fund balance was \$7,362,417 of which \$6,744,135 is committed for economic uncertainty or unassigned. The total fund balance decreased by \$1,250,519 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 37.5% 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, 2023 and 2022
(in thousands)

	2023		2022		Variance	% Change
	Amount	% of Total	Amount	% of Total		
Taxes	\$ 14,192,904	83.8 %	\$ 15,045,597	89.4 %	\$ (852,693)	(5.7)%
Licenses and permits	573,627	3.4 %	407,646	2.4 %	165,981	40.7 %
Fines and forfeitures	101,777	0.6 %	54,483	0.3 %	47,294	86.8 %
Use of money and property	617,782	3.6 %	446,916	2.7 %	170,866	38.2 %
Intergovernmental	984,850	5.8 %	670,868	4.0 %	313,982	46.8 %
Charges for services	386,835	2.3 %	172,687	1.0 %	214,148	124.0 %
Other revenues	83,133	0.5 %	36,576	0.2 %	46,557	127.3 %
	<u>\$ 16,940,908</u>	<u>100.0 %</u>	<u>\$ 16,834,773</u>	<u>100.0 %</u>	<u>\$ 106,135</u>	<u>0.6 %</u>

Table 6
General Fund Expenditures by Function
For the Years Ended June 30, 2023 and 2022
(in thousands)

	2023		2022		Variance	% Change
	Amount	% of Total	Amount	% of Total		
General government	\$ 4,120,626	23.0 %	\$ 3,146,942	20.5 %	\$ 973,684	30.9 %
Public safety	8,976,939	50.0 %	8,205,190	53.4 %	771,749	9.4 %
Transportation	2,255,987	12.5 %	1,118,214	7.3 %	1,137,773	101.7 %
Community development	1,210,509	6.7 %	928,330	6.0 %	282,179	30.4 %
Capital outlay	481,059	2.7 %	976,148	6.4 %	(495,089)	(50.7)%
Debt service: principal	420,922	2.3 %	440,000	2.9 %	(19,078)	(4.3)%
Debt service: interest	511,084	2.8 %	539,192	3.5 %	(28,108)	(5.2)%
	<u>\$ 17,977,126</u>	<u>100.0 %</u>	<u>\$ 15,354,016</u>	<u>100.0 %</u>	<u>\$ 2,623,110</u>	<u>17.1 %</u>

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

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:

	2023		2022		Variance	% Change
	Amount	% of Total	Amount	% of Total		
Operating revenues:						
Charges for services	\$ 7,510,843	84.3 %	\$ 7,360,407	95.7 %	\$ 150,436	2.0 %
Other operating revenues	-	- %	83	- %	(83)	(100.0)%
Non-operating revenues:						
Taxes	86,769	1.0 %	86,010	1.1 %	759	0.9 %
Intergovernmental	940,748	10.6 %	108,550	1.4 %	832,198	766.6 %
Interest	<u>362,278</u>	<u>4.1 %</u>	<u>139,862</u>	<u>1.8 %</u>	<u>222,416</u>	<u>159.0 %</u>
	<u>\$ 8,900,638</u>	<u>100.0 %</u>	<u>\$ 7,694,912</u>	<u>100.0 %</u>	<u>\$ 1,205,726</u>	<u>15.7 %</u>

Total revenues for business-type activities increased \$1,205,726 during the year. This increase is primarily due to higher collections of FAA grant-related reimbursements for capital expenditures undertaken at the City's airport during the current and prior fiscal year. Additionally, there were slight increases in sewer connection fees and airport rents during FY 2022-23.

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

	2023		2022		Variance	% Change
	Amount	% of Total	Amount	% of Total		
Operating expenses:						
Salaries and benefits	\$ 959,538	12.2 %	\$ 506,723	7.3 %	\$ 452,815	89.4 %
Services and supplies	3,166,182	40.7 %	3,363,529	48.1 %	(197,347)	(5.9)%
Maintenance	1,207,422	15.5 %	438,007	6.3 %	769,415	175.7 %
Depreciation	2,037,838	26.1 %	2,186,773	31.4 %	(148,935)	(6.8)%
Non-operating expenses						
Interest and amortization	363,814	4.7 %	375,902	5.4 %	(12,088)	(3.2)%
Transfers	<u>61,047</u>	<u>0.8 %</u>	<u>102,201</u>	<u>1.5 %</u>	<u>(41,154)</u>	<u>(40.3)%</u>
	<u>\$ 7,795,841</u>	<u>100.0 %</u>	<u>\$ 6,973,135</u>	<u>100.0 %</u>	<u>\$ 822,706</u>	<u>11.8 %</u>

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

The \$822,706 net increase in proprietary fund expenses during the fiscal year can be primarily attributed to the following:

- A \$452,815 increase in salaries and benefits related to higher Airport and Sewer Fund operating costs (via salary transfers from the General Fund); and salary increases impacting total salaries and benefits;
- A \$197,347 decrease in services and supplies related to lower overall Airport and Sewer Fund purchases of services and supplies to manage the enterprise operations;
- A \$769,415 increase in maintenance expense related to an increase in the amount of sewer line clean-out and infrastructure maintenance undertaken during the fiscal year; and
- A \$148,935 decrease in depreciation expense related to certain assets being fully depreciated at the close of the prior fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Detailed information regarding composition and activity in capital assets is provided in Note 4 to the financial statements. The City's investment in capital assets as of June 30, 2023 totaled \$61,266,958 (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	
	2023	2022	2023	2022	2023	2022
Land	\$ -	\$ -	\$ 2,874,395	\$ 2,874,395	\$ 2,874,395	\$ 2,874,395
Construction in progress	208,585	78,981	9,021,224	4,685,281	9,229,809	4,764,262
Infrastructure	7,357,486	7,357,486	41,153,845	41,127,218	48,511,331	48,484,704
Buildings and improvements	6,478,556	6,447,358	-	-	6,478,556	6,447,358
Equipment	10,202,330	9,652,638	16,157,041	16,146,462	26,359,371	25,799,100
Land improvements	21,275,131	21,275,131	-	-	21,275,131	21,275,131
Accumulated depreciation	<u>(26,226,558)</u>	<u>(24,237,800)</u>	<u>(27,235,077)</u>	<u>(25,197,239)</u>	<u>(53,461,635)</u>	<u>(49,435,039)</u>
Total	<u>\$ 19,295,530</u>	<u>\$ 20,573,794</u>	<u>\$ 41,971,428</u>	<u>\$ 39,636,117</u>	<u>\$ 61,266,958</u>	<u>\$ 60,209,911</u>

Debt Administration

The City's total long-term debt for governmental activities decreased by \$636,681 primarily due to scheduled payments on the existing debt.

The City's total debt for its business-type activities decreased \$612,790 primarily due to scheduled payments on existing debt.

Detailed information regarding composition and activity in long-term debt is provided in Note 6 to the financial statements.

CITY OF AUBURN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Table 10
Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Pension obligation bonds	\$ 17,410,000	\$ 17,775,100	\$ 1,020,000	\$ 1,029,900	\$ 18,430,000	\$ 18,805,000
Loans payable	-	-	8,205,722	8,455,093	8,205,722	8,455,093
Revenue bonds	-	-	5,515,170	5,783,618	5,515,170	5,783,618
Financed purchases	626,924	710,233	-	-	626,924	710,233
Compensated absences	<u>944,092</u>	<u>1,132,364</u>	<u>42,048</u>	<u>127,119</u>	<u>986,140</u>	<u>1,259,483</u>
Total	<u>\$ 18,981,016</u>	<u>\$ 19,617,697</u>	<u>\$ 14,782,940</u>	<u>\$ 15,395,730</u>	<u>\$ 33,763,956</u>	<u>\$ 35,013,427</u>

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 for FY 2022-23 on June 27, 2022. Subsequent to the adoption of the annual budget, the budget was reviewed on March 13, 2023 and necessary budget adjustments were approved by the City Council.

For the General Fund, the original FY 2022-23 budget was approved on June 27, 2022, and estimated approximately \$16.8 million in revenue and sources and allocated \$17.0 million in appropriations. On March 13, 2023, the General Fund budget was updated, adjusting anticipated revenues in the General Fund to \$18.5 million while appropriations were updated to \$18.5 million with an implied use of \$35,000 in General Fund Balance. Ultimately, at the close of the fiscal year, revenues and sources were \$17.2 million and appropriations were \$18.5 million, leading to a use of \$1.25 million in available fund balance. As discussed earlier in this Management's Discussion and Analysis, the wide swings in stated amounts are due to the significant over-estimation of sales tax ultimately collected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's budget for FY 2023-24 was adopted on June 26, 2023. Subsequent to the adoption of the annual budget, the budget was reviewed on March 11, 2024 and necessary budget adjustments were approved by the City Council.

For the General Fund, the original FY 2023-24 budget was approved on June 26, 2023, and estimated approximately \$17.9 million in revenues and sources and allocated \$18.0 million in appropriations. On March 11, 2024, the General Fund budget was updated, adjusting anticipated revenues in the General Fund to \$18.1 million while appropriations were updated to \$19.8 million with an implied use of \$1.65 million in reserves to balance the budget. This significant change in the budget for the General Fund is primarily due to the over-estimation of sales taxes to be collected; the non-inclusion of certain negotiated salary increases; several one-time project costs; and a large amount of funding provided for the Street Overlay Project.

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 Finance
1225 Lincoln Way, Room 1
Auburn, CA 95603
(530) 823-4211, ext. 110

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

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CITY OF AUBURN
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and investments (Note 2)	\$ 9,734,413	\$ 13,880,890	\$ 23,615,303
Receivables:			
Accounts	393,051	310,890	703,941
Interest	52,457	72,921	125,378
Taxes	1,302,497	-	1,302,497
Intergovernmental	1,120,768	406,696	1,527,464
Leases receivable (Note 3)	6,966,102	7,427,698	14,393,800
Prepaid items	618,282	-	618,282
Loans receivable	2,161,914	-	2,161,914
Due from other agencies	39,544	-	39,544
Capital assets (Note 4):			
Non-depreciable	208,585	11,895,619	12,104,204
Depreciable, net	<u>19,086,945</u>	<u>30,075,809</u>	<u>49,162,754</u>
Total capital assets, net	<u>19,295,530</u>	<u>41,971,428</u>	<u>61,266,958</u>
Total Assets	<u>41,684,558</u>	<u>64,070,523</u>	<u>105,755,081</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred amount on bond refunding (Note 7)	-	722,718	722,718
Changes in the net pension liability (Note 8)	15,140,070	1,074,671	16,214,741
Changes in the total OPEB liability (Note 9)	<u>391,634</u>	<u>23,717</u>	<u>415,351</u>
Total Deferred Outflows of Resources	<u>15,531,704</u>	<u>1,821,106</u>	<u>17,352,810</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	1,852,755	1,026,391	2,879,146
Accrued wages	313,355	13,446	326,801
Unearned revenue	2,775,391	-	2,775,391
Accrued interest payable	33,109	125,845	158,954
Deposits payable	113,050	20,537	133,587
Long-term liabilities (Note 6):			
Due within one year	1,357,294	574,244	1,931,538
Due in more than one year	17,623,722	14,208,696	31,832,418
Net pension liability (Note 8):			
Due in more than one year	6,113,376	433,815	6,547,191
Total OPEB liability (Note 9):			
Due in more than one year	<u>1,781,835</u>	<u>95,124</u>	<u>1,876,959</u>
Total Liabilities	<u>31,963,887</u>	<u>16,498,098</u>	<u>48,461,985</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Leases (Note 3)	6,855,462	7,359,483	14,214,945
Changes in the net pension liability (Note 8)	9,615,035	735,361	10,350,396
Changes in the total OPEB liability (Note 9)	<u>840,585</u>	<u>50,904</u>	<u>891,489</u>
Total Deferred Inflows of Resources	<u>17,311,082</u>	<u>8,145,748</u>	<u>25,456,830</u>
<u>NET POSITION</u>			
Net investment in capital assets	18,668,606	28,973,254	47,641,860
Restricted for:			
Public safety	218,160	-	218,160
Street maintenance and construction	368,216	-	368,216
Fire protection services	1,378	-	1,378
Community development	387,133	-	387,133
Capital projects	934,867	-	934,867
Unrestricted	<u>(12,637,067)</u>	<u>12,274,529</u>	<u>(362,538)</u>
Total Net Position	<u>\$ 7,941,293</u>	<u>\$ 41,247,783</u>	<u>\$ 49,189,076</u>

See accompanying notes to the basic financial statements.

CITY OF AUBURN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 4,872,311	\$ 996,127	\$ 459,161	\$ -	\$ (3,417,023)	\$ -	\$ (3,417,023)
Public safety	10,900,592	263,258	653,531	-	(9,983,803)	-	(9,983,803)
Transportation	7,179,205	399,340	2,380,194	-	(4,399,671)	-	(4,399,671)
Community development	1,869,373	2,000	-	-	(1,867,373)	-	(1,867,373)
Interest and fiscal charges	<u>533,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(533,568)</u>	<u>-</u>	<u>(533,568)</u>
Total governmental activities	<u>25,355,049</u>	<u>1,660,725</u>	<u>3,492,886</u>	<u>-</u>	<u>(20,201,438)</u>	<u>-</u>	<u>(20,201,438)</u>
Business-type activities:							
Airport	1,198,711	642,950	-	940,748	-	384,987	384,987
Sewer	<u>6,536,083</u>	<u>6,867,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>331,810</u>	<u>331,810</u>
Total business-type activities	<u>7,734,794</u>	<u>7,510,843</u>	<u>-</u>	<u>940,748</u>	<u>-</u>	<u>716,797</u>	<u>716,797</u>
Total primary government	<u>\$ 33,089,843</u>	<u>\$ 9,171,568</u>	<u>\$ 3,492,886</u>	<u>\$ 940,748</u>	<u>(20,201,438)</u>	<u>716,797</u>	<u>(19,484,641)</u>
General revenues:							
Taxes:							
Property taxes					5,097,091	86,769	5,183,860
Sales and use taxes					7,853,142	-	7,853,142
Franchise taxes					1,077,280	-	1,077,280
Transient occupancy tax					357,300	-	357,300
Other taxes					94,818	-	94,818
Interest and investment income					346,573	362,278	708,851
Miscellaneous					148,815	-	148,815
Transfers (Note 5)					<u>61,047</u>	<u>(61,047)</u>	<u>-</u>
Total general revenues and transfers					<u>15,036,066</u>	<u>388,000</u>	<u>15,424,066</u>
Change in net position					<u>(5,165,372)</u>	<u>1,104,797</u>	<u>(4,060,575)</u>
Net position - July 1, 2022					<u>13,106,665</u>	<u>40,142,986</u>	<u>53,249,651</u>
Net position - June 30, 2023					<u>\$ 7,941,293</u>	<u>\$ 41,247,783</u>	<u>\$ 49,189,076</u>

See accompanying notes to the basic financial statements.

CITY OF AUBURN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 7,550,325	\$ 2,184,088	\$ 9,734,413
Receivables:			
Accounts	161,605	231,446	393,051
Interest	45,941	6,516	52,457
Taxes	1,302,497	-	1,302,497
Intergovernmental	-	1,120,768	1,120,768
Leases receivable	6,966,102	-	6,966,102
Due from other funds	1,609,595	-	1,609,595
Due from other agencies	39,544	-	39,544
Prepaid items and supplies	618,282	-	618,282
Loans receivable	-	2,161,914	2,161,914
	<u>-</u>	<u>2,161,914</u>	<u>2,161,914</u>
Total Assets	\$ <u>18,293,891</u>	\$ <u>5,704,732</u>	\$ <u>23,998,623</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 892,663	\$ 960,092	\$ 1,852,755
Accrued payroll	294,908	18,447	313,355
Unearned revenue	2,775,391	-	2,775,391
Deposits payable	113,050	-	113,050
Due to other funds	-	1,609,595	1,609,595
	<u>-</u>	<u>1,609,595</u>	<u>1,609,595</u>
Total Liabilities	<u>4,076,012</u>	<u>2,588,134</u>	<u>6,664,146</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	2,161,914	2,161,914
Leases	6,855,462	-	6,855,462
	<u>6,855,462</u>	<u>-</u>	<u>6,855,462</u>
Total Deferred Inflows of Resources	<u>6,855,462</u>	<u>2,161,914</u>	<u>9,017,376</u>
FUND BALANCES			
Nonspendable for:			
Prepaid costs	618,282	-	618,282
Restricted	-	1,909,754	1,909,754
Committed to:			
Economic uncertainty	2,356,953	-	2,356,953
Unassigned	4,387,182	(955,070)	3,432,112
	<u>4,387,182</u>	<u>(955,070)</u>	<u>3,432,112</u>
Total Fund Balances	<u>7,362,417</u>	<u>954,684</u>	<u>8,317,101</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>18,293,891</u>	\$ <u>5,704,732</u>	\$ <u>23,998,623</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, 2023

Total fund balances reported on the governmental funds balance sheet	\$ 8,317,101
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 \$45,522,088, net of accumulated depreciation of \$26,226,558, used in governmental activities are not financial resources and therefore are not reported in the funds.	19,295,530
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	2,161,914
Deferred outflows related to changes in the net pension liability are not reported in the governmental funds	15,140,070
Deferred outflows related to changes in the total OPEB liability are not reported in the governmental funds	391,634
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Pension obligation bonds	(17,410,000)
Financed purchases liability	(626,924)
Accrued interest	(33,109)
Compensated absences	(944,092)
Net pension liability	(6,113,376)
Total OPEB liability	(1,781,835)
Deferred inflows related to changes in the net pension liability	(9,615,035)
Deferred inflows related to changes in the total OPEB liability	<u>(840,585)</u>
Net position of governmental activities	<u>\$ 7,941,293</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, 2023

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Taxes and assessments	\$ 14,192,904	\$ 286,727	\$ 14,479,631
Licenses and permits	573,627	87,775	661,402
Fines and forfeitures	101,777	-	101,777
Use of money and property	617,782	41,781	659,563
Intergovernmental	984,850	3,676,708	4,661,558
Charges for service	386,835	180,085	566,920
Other revenues	<u>83,133</u>	<u>89,977</u>	<u>173,110</u>
Total Revenues	<u>16,940,908</u>	<u>4,363,053</u>	<u>21,303,961</u>
<u>EXPENDITURES</u>			
Current operations:			
General government	4,120,626	131	4,120,757
Public safety	8,976,939	585,072	9,562,011
Transportation	2,255,987	1,391,083	3,647,070
Community development	1,210,509	5,505	1,216,014
Debt service:			
Principal	420,922	27,487	448,409
Interest and fiscal charges	511,084	22,484	533,568
Capital outlay	<u>481,059</u>	<u>2,971,087</u>	<u>3,452,146</u>
Total Expenditures	<u>17,977,126</u>	<u>5,002,849</u>	<u>22,979,975</u>
Excess (deficiency) of revenues over expenditures	<u>(1,036,218)</u>	<u>(639,796)</u>	<u>(1,676,014)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	285,699	500,000	785,699
Transfers out	<u>(500,000)</u>	<u>(224,652)</u>	<u>(724,652)</u>
Total Other Financing Sources (Uses)	<u>(214,301)</u>	<u>275,348</u>	<u>61,047</u>
Net change in fund balances	<u>(1,250,519)</u>	<u>(364,448)</u>	<u>(1,614,967)</u>
Fund balance - July 1, 2022	8,538,133	1,393,935	9,932,068
Prior period adjustment (Note 18)	<u>74,803</u>	<u>(74,803)</u>	<u>-</u>
Fund balance - July 1, 2022, restated	<u>8,612,936</u>	<u>1,319,132</u>	<u>9,932,068</u>
Fund balance - June 30, 2023	<u>\$ 7,362,417</u>	<u>\$ 954,684</u>	<u>\$ 8,317,101</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, 2023

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	\$ (1,614,967)
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	710,494
Depreciation expense	(1,988,758)
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	365,100
Financed purchases principal payments	83,309
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	(24,294)
Loan interest	17,636
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	188,272
Change in net pension liability	(13,166,084)
Change in total OPEB liability	(213,908)
Pension expense related to deferred outflows and inflows of resources	11,529,600
OPEB expense related to deferred outflows and inflows of resources	116,900
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. This is the net change in revenues.	<u>(1,168,672)</u>
Change in net position of governmental activities	<u>\$ (5,165,372)</u>

See accompanying notes to the basic financial statements.

CITY OF AUBURN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities		
	Airport	Sewer	Totals
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 2,397,768	\$ 11,483,122	\$ 13,880,890
Receivables:			
Accounts	1,683	309,207	310,890
Interest	26,985	45,936	72,921
Intergovernmental	406,696	-	406,696
Leases receivable	7,427,698	-	7,427,698
Total Current Assets	10,260,830	11,838,265	22,099,095
Non-current assets:			
Capital assets:			
Non-depreciable	4,065,475	7,830,144	11,895,619
Depreciable, net	4,972,971	25,102,838	30,075,809
Total capital assets net	9,038,446	32,932,982	41,971,428
Total Non-Current Assets	9,038,446	32,932,982	41,971,428
Total Assets	19,299,276	44,771,247	64,070,523
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred amount on bond refunding	-	722,718	722,718
Changes in net pension liability	-	1,074,671	1,074,671
Changes in total OPEB liability	-	23,717	23,717
Total Deferred Outflows of Resources	-	1,821,106	1,821,106
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	375,670	650,721	1,026,391
Accrued wages	2,772	10,674	13,446
Deposits payable	20,537	-	20,537
Accrued interest payable	-	125,845	125,845
Accrued compensated absences - current	-	19,586	19,586
Loans payable - current	-	253,610	253,610
Bonds payable - current	-	301,048	301,048
Total Current Liabilities	398,979	1,361,484	1,760,463
Long-term liabilities:			
Accrued compensated absences	-	22,462	22,462
Loans payable	-	7,952,112	7,952,112
Bonds payable	-	6,234,122	6,234,122
Net pension liability	-	433,815	433,815
Total OPEB liability	-	95,124	95,124
Total Long-term Liabilities	-	14,737,635	14,737,635
Total Liabilities	398,979	16,099,119	16,498,098
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Leases	7,359,483	-	7,359,483
Changes in net pension liability	-	735,361	735,361
Changes in total OPEB liability	-	50,904	50,904
Total Deferred Outflows of Resources	7,359,483	786,265	8,145,748
<u>NET POSITION:</u>			
Net investment in capital assets	9,038,446	19,934,808	28,973,254
Unrestricted	2,502,368	9,772,161	12,274,529
Total Net Position	\$ 11,540,814	\$ 29,706,969	\$ 41,247,783

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, 2023

	Business-type Activities		
	Airport	Sewer	Totals
<u>OPERATING REVENUES</u>			
Charges for services:			
User fees and charges	\$ 128,869	\$ 6,721,455	\$ 6,850,324
Connection fees	-	146,438	146,438
Rents and concessions	<u>514,081</u>	<u>-</u>	<u>514,081</u>
Total Operating Revenue	<u>642,950</u>	<u>6,867,893</u>	<u>7,510,843</u>
<u>OPERATING EXPENSES</u>			
Salaries and benefits	319,814	639,724	959,538
Services and supplies	179,618	2,986,564	3,166,182
Maintenance	126,801	1,080,621	1,207,422
Depreciation	<u>572,478</u>	<u>1,465,360</u>	<u>2,037,838</u>
Total Operating Expenses	<u>1,198,711</u>	<u>6,172,269</u>	<u>7,370,980</u>
Operating (Loss) Income	<u>(555,761)</u>	<u>695,624</u>	<u>139,863</u>
<u>NON-OPERATING REVENUE AND (EXPENSES)</u>			
Taxes	86,769	-	86,769
Intergovernmental revenue	940,748	-	940,748
Interest income	182,546	179,732	362,278
Interest expense	<u>-</u>	<u>(363,814)</u>	<u>(363,814)</u>
Total Non-Operating Revenues and (Expenses)	<u>1,210,063</u>	<u>(184,082)</u>	<u>1,025,981</u>
Income Before Transfers	<u>654,302</u>	<u>511,542</u>	<u>1,165,844</u>
<u>TRANSFERS</u>			
Transfers out	<u>(25,000)</u>	<u>(36,047)</u>	<u>(61,047)</u>
Change in net position	<u>629,302</u>	<u>475,495</u>	<u>1,104,797</u>
Total Net Position - July 1, 2022	<u>10,911,512</u>	<u>29,231,474</u>	<u>40,142,986</u>
Total Net Position - June 30, 2023	<u>\$ 11,540,814</u>	<u>\$ 29,706,969</u>	<u>\$ 41,247,783</u>

See accompanying notes to the basic financial statements.

CITY OF AUBURN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities		
	Airport	Sewer	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 560,103	\$ 6,862,609	\$ 7,422,712
Cash paid to suppliers	(1,609)	(3,840,756)	(3,842,365)
Cash paid to employees	<u>(317,042)</u>	<u>(590,392)</u>	<u>(907,434)</u>
Net Cash Provided by Operating Activities	<u>241,452</u>	<u>2,431,461</u>	<u>2,672,913</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property taxes	86,769	-	86,769
Intergovernmental	534,051	-	534,051
Transfers to other funds	<u>(25,000)</u>	<u>(36,047)</u>	<u>(61,047)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>595,820</u>	<u>(36,047)</u>	<u>559,773</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(947,403)	(3,425,745)	(4,373,148)
Principal paid on capital debt	-	(514,271)	(514,271)
Interest paid on capital debt	<u>-</u>	<u>(336,089)</u>	<u>(336,089)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(947,403)</u>	<u>(4,276,105)</u>	<u>(5,223,508)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	<u>176,233</u>	<u>144,246</u>	<u>320,479</u>
Net Cash Provided by Investing Activities	<u>176,233</u>	<u>144,246</u>	<u>320,479</u>
Net Increase (Decrease) in Cash and Cash Equivalents	66,102	(1,736,445)	(1,670,343)
Cash and Cash Equivalents - July 1, 2022	<u>2,331,666</u>	<u>13,219,567</u>	<u>15,551,233</u>
Cash and Cash Equivalents - June 30, 2023	<u>\$ 2,397,768</u>	<u>\$ 11,483,122</u>	<u>\$ 13,880,890</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, 2023

	Business-type Activities		
	Airport	Sewer	Totals
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating (Loss) Income	\$ (555,761)	\$ 695,624	\$ 139,863
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:			
Depreciation expense	572,478	1,465,360	2,037,838
(Increase) decrease in:			
Accounts receivable	(336)	(5,284)	(5,620)
Leases receivable	374,716	-	374,716
Pension related deferred outflows of resources	-	(68,200)	(68,200)
Increase (decrease) in:			
Accounts payable	304,810	226,429	531,239
Accrued wages	2,772	885	3,657
Deposits payable	(28,260)	-	(28,260)
Net pension liability	-	1,032,388	1,032,388
Total OPEB liability	-	12,954	12,954
Compensated absences	-	(85,071)	(85,071)
Leases related deferred inflows of resources	(428,967)	-	(428,967)
Pension related deferred inflows of resources	-	(841,342)	(841,342)
OPEB related deferred inflows of resources	-	(2,282)	(2,282)
Net Cash Provided by Operating Activities	\$ 241,452	\$ 2,431,461	\$ 2,672,913

See accompanying notes to the basic financial statements.

CITY OF AUBURN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	Private- Purpose Trust Funds	Custodial Funds
<u>ASSETS</u>		
Cash and cash equivalents	\$ -	\$ 173,175
Receivables:		
Interest	<u>-</u>	<u>176</u>
Total Assets	<u>-</u>	<u>173,351</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred amount on bond refunding (Note 17)	<u>441,260</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>441,260</u>	<u>-</u>
<u>LIABILITIES</u>		
Accounts payable	-	6,976
Interest payable	10,868	-
Due to City	39,543	1
Long term liabilities (Note 16):		
Due within one year	175,238	-
Due in more than one year	<u>3,273,337</u>	<u>-</u>
Total Liabilities	<u>3,498,986</u>	<u>6,977</u>
<u>NET POSITION</u>		
Held in trust	(3,057,726)	-
Restricted for individuals, organizations, and other governments	<u>-</u>	<u>166,374</u>
Total Net Position	<u>\$ (3,057,726)</u>	<u>\$ 166,374</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, 2023

	Private- Purpose Trust Funds	Custodial Funds
<u>ADDITIONS</u>		
Property taxes	\$ 246,878	\$ -
Program fees	-	124,956
Franchise fees	-	7,779
Interest income	902	1,136
Other revenues	<u>21,877</u>	<u>57,208</u>
Total Additions	<u>269,657</u>	<u>191,079</u>
<u>DEDUCTIONS</u>		
Program expenses	164,096	101,837
Agency obligations	-	98,000
Amortization	<u>25,548</u>	<u>-</u>
Total Deductions	<u>189,644</u>	<u>199,837</u>
Change in Fiduciary Net Position	80,013	(8,758)
Fiduciary Net Position - July 1, 2022	<u>(3,137,739)</u>	<u>175,132</u>
Fiduciary Net Position - June 30, 2023	<u><u>\$ (3,057,726)</u></u>	<u><u>\$ 166,374</u></u>

See accompanying notes to the basic financial statements.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023

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, 2023

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. The Successor Agency to the Auburn Urban Development Authority is a Private-Purpose Trust Fund used to report the dissolution of the Auburn Urban Development Authority.

Custodial Funds - Custodial Funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

Major Funds

The City reports the following major governmental fund 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.

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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Fiduciary funds use the "economic resources" measurement focus and the accrual basis of accounting.

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 finance leases are reported as other financing sources.

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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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.

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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. 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, 2023, 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.

H. Leases Receivable

Lessor

The City is a lessor for noncancellable leases of land and buildings. The City recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease terms, and (3) lease receipts.

- The City uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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 \$2,161,914 in loans receivable as of June 30, 2023.

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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

K. 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.

L. 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.

M. 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, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Long-Term Liabilities

In the government-wide financial statements and proprietary fund financial statements, long-term liabilities and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method (which approximates the effective interest method). The difference between the reacquisition price of refunding bonds and the net carrying amount of the refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or the remaining life of the refunded debt. Bond issuance costs, except for insurance, are expensed in the period incurred. Amortization of bond premiums or discounts, insurance costs, and deferred amounts on refunding are included in interest expense.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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 total 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, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 - June 30, 2023

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position or balance sheet 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 assets 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 7 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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category, unavailable revenues, leases, and inflows from changes in the net pension liability and total OPEB liability. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from intergovernmental revenues that have not been received within the modified accrual period. The governmental funds also report deferred inflows of resources related to long-term leases receivable. In the government-wide financial statements, the City reports deferred inflows of resources related to leases and the inflows from changes in the net pension liability and total OPEB liability. See notes 8 and 9 for more information on the deferred inflows of resources from the net pension liability and total OPEB liability.

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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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 11.

S. 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.

T. 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.

U. 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.

V. 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.

W. Implementation of Governmental Accounting Standards Board Statements

Effective July 1, 2022, the City implemented the following accounting and financial reporting standards:

Governmental 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 note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City adopted this accounting guidance for its June 30, 2023 year-end. There was no impact to the City's financial position as a result of adoption.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental 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 adopted this accounting guidance for its June 30, 2023 year-end. There was no impact to the City's financial position as a result of adoption.

Governmental 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 adopted this accounting guidance for its June 30, 2023 year-end. There was no impact to the City's financial position as a result of adoption.

X. Future Governmental Accounting Standards Board Statements

These statements are not effective until July 1, 2023 or later. The City has not determined the effects, if any, on the financial statements.

Governmental Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for guarantees. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to leases, PPPs and SBITAs are effective for the City's fiscal year ending June 30, 2023 and the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the City's fiscal year ending June 30, 2024.

Governmental Accounting Standards Board Statement No. 100

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the City's fiscal year ending June 30, 2024.

Governmental Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of the Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective to the City's fiscal year ending June 30, 2025.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A *concentration* is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The requirements of this statement are effective for the City's fiscal year ending June 30, 2025.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 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	\$ 9,734,413	\$ -	\$ 9,734,413
Business-type activities	<u>13,880,890</u>	<u>-</u>	<u>13,880,890</u>
Total government-wide cash and investments	<u>23,615,303</u>	<u>-</u>	<u>23,615,303</u>
Fiduciary activities	<u>173,175</u>	<u>-</u>	<u>173,175</u>
Total cash and investments	<u>\$ 23,788,478</u>	<u>\$ -</u>	<u>\$ 23,788,478</u>

Cash and investments were carried at fair value as of June 30, 2023 and consisted of the following:

Cash on hand	\$ 150
Cash in banks	<u>6,778,292</u>
Total cash	<u>6,778,442</u>
Placer County Investment Pool	4,446,057
Local Agency Investment Fund (LAIF)	<u>12,563,979</u>
Total investments	<u>17,010,036</u>
Total cash and investments	<u>\$ 23,788,478</u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investment Valuation

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2023:

Investments	Fair Value Measurements Using			Fair Value
	Level 1 Inputs	Level 2 inputs	Level 3 inputs	
Placer County Investment Pool	-	-	-	4,446,057
Local Agency Investment Fund (LAIF)	-	-	-	12,563,979
Total investments	\$ -	\$ -	\$ -	\$ 17,010,036

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 \$4,446,057 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 \$12,563,979 is not subject to valuation on a recurring basis.

Disclosure Relating to Interest Rate Risk

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

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Information about the sensitivity of the fair values of the City's investments to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2023:

	Interest Rate	Remaining Maturity			Fair Value	Weighted Average Maturity (years)
		< 12 months	1-5 years	> 5 years		
Placer County Investment Pool	Variable	\$ 4,446,057	\$ -	\$ -	\$ 4,446,057	N/A
Local Agency Investment Fund (LAIF)	Variable	<u>12,563,979</u>	<u>-</u>	<u>-</u>	<u>12,563,979</u>	N/A
		<u>\$ 17,010,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,010,036</u>	

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, 2023.

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
Placer County Investment Pool	\$ 4,446,057	Not rated			Not rated
Local Agency Investment Fund (LAIF)	<u>12,563,979</u>	Not rated			Not rated
	<u>\$ 17,010,036</u>				

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, 2023, 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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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.

NOTE 3: LEASES RECEIVABLE

The City is reporting leases receivable of \$6,966,102 in the General fund and \$7,427,698 in the Airport enterprise fund at June 30, 2023. The City has recorded a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflows of resources in the General fund was \$6,855,462 and the Airport fund was \$7,359,483.

Industrial Park and Hangar Leases

- On August 21, 1985, the City entered into a lease agreement for the use of 2360 Lindberg Street. The lease requires monthly payments of \$598, has an interest rate of 1.327%, and expires on July 21, 2035.
- On February 9, 2015, the City entered into a lease for the use of Row Delta East Area Hangers. The lease requires annual payments of \$8,649, has an interest rate of 1.7047% and expires on February 8, 2055.
- On February 23, 2009, the City entered into a lease for the use of Row Bravo East Area Hangers - 13590 New Airport Road. The lease requires annual payments of \$11,698, has an interest rate of 1.6843% and expires on February 22, 2049.
- On April 1, 1977, the City entered into a lease for the use of Metcalfe - Industrial Site. The lease requires monthly payments of \$524, has an interest rate of 0.7033% and expires on March 31, 2027.
- On March 24, 1997, the City entered into a lease for the use of Auburn Airport Land - Lot 26. The lease requires monthly payments of \$760, has an interest rate of 1.6633% and expires on March 23, 2047.
- On October 9, 2017, the City entered into a lease for the use of FBO Agreement. The lease requires monthly payments of \$1,210, has an interest rate of 0.7033% and expires on October 8, 2027.
- On July 25, 2011, the City entered into a lease for the use of East Area Hangers - Row Foxtrot. The lease requires annual payments of \$2,200, has an interest rate of 1.7047% and expires on July 24, 2051.
- On April 13, 2022, the City entered into a lease for the use of East Area Hangar Buildings - Rows G - L. The lease requires annual payments of \$52,335, has an interest rate of 2.9067% and expires on April 12, 2062.
- On December 1, 2021, the City entered into a lease for the use of commercial office space at 13626 New Airport Road Suites 102, 105 and 106. The lease requires monthly payments of \$579, has an interest rate of 0.8037% and expires on November 30, 2027.
- On February 1, 2001, the City entered into a lease for the use of airport land Hangar #78. The lease requires annual payments of \$1,358, has an interest rate of 1.518% and expires on January 31, 2041.
- On February 26, 1996, the City entered into a lease for the use of airport land Hangar #70. The lease requires annual payments of \$1,301, has an interest rate of 1.6523% and expires on January 2, 2046.
- On March 22, 1994, the City entered into a lease for the use of South Hangar land. The lease requires quarterly payments of \$456, has an interest rate of 1.6117% and expires on March 21, 2044.
- On February 1, 2001, the City entered into a lease for the use of airport land Hangar #79. The lease requires quarterly payments of \$251, has an interest rate of 1.518% and expires on January 31, 2041.
- On February 1, 2001, the City entered into a lease for the use of airport land Hangar #76. The lease requires annual payments of \$1,360, has an interest rate of 1.518% and expires on January 31, 2041.
- On October 13, 1986, the City entered into a lease for the use of airport land for 24 hangars. The lease requires monthly payments of \$1,578, has an interest rate of 1.3623% and expires on October 12, 2036.
- On January 22, 2001, the City entered into a lease for the use of airport land Hangar #81. The lease requires annual payments of \$1,327, has an interest rate of 1.518% and expires on January 31, 2041.
- On February 1, 2001, the City entered into a lease for the use of airport land Hangar #77. The lease requires annual payments of \$1,263, has an interest rate of 1.518% and expires on January 31, 2041.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3: LEASES RECEIVABLE (CONTINUED)

- On December 1, 1996, the City entered into a lease for the use of Auburn Municipal Airport Industrial Park Parcel 5. The lease requires monthly payments of \$1,361, has an interest rate of 1.705% and expires on June 30, 2052.
- On November 13, 1995, the City entered into a lease for the use of Auburn Municipal Airport Industrial Park Parcel 4. The lease requires monthly payments of \$2,961, has an interest rate of 1.705% and expires on August 12, 2052.
- On May 1, 1987, the City entered into a lease for the use of Auburn Municipal Airport Industrial Park Parcel 2. The lease requires monthly payments of \$5,150, has an interest rate of 1.705% and expires on June 30, 2052.
- On February 1, 1981, the City entered into a lease for the use of Auburn Municipal Airport Industrial Park Parcel 1. The lease requires monthly payments of \$3,182, has an interest rate of 1.705% and expires on June 30, 2052.
- On February 26, 1996, the City entered into a lease for the use of Auburn Municipal Airport Ground Space Hangar 75. The lease requires annual payments of \$873, has an interest rate of 0.5773% and expires on January 1, 2026.
- On November 13, 1995, the City entered into a lease for the use of Auburn Municipal Airport Ground Space Hangar 71. The lease requires annual payments of \$424, has an interest rate of 0.457% and expires on November 12, 2025.
- On July 1, 1998, the City entered into a lease for the use of Auburn Municipal Airport Hangar 72. The lease requires annual payments of \$1,317, has an interest rate of .0457% and expires on November 13, 2025.
- On June 20, 1997, the City entered into a lease for the use of 13020 Earhart Avenue. The lease requires monthly payments of \$801, has an interest rate of 1.6633% and expires on June 30, 2047.
- On February 9, 2015, the City entered into a lease for the use of Auburn East Area Hangars Row Echo. The lease requires annual payments of \$1,497, has an interest rate of 1.7047% and expires on February 8, 2055.
- On June 24, 1996, the City entered into a lease for the user of Auburn Airport Industrial Park Lot 29. The lease requires monthly payments of \$1,566, has an interest rate of 1.6523% and expires on June 23, 2046.
- On July 22, 1985, the City entered into a lease for Auburn Airport Industrial Park Parcels 18, 20, 21 and 22. The lease requires monthly payments of \$2,899, has an interest rate of 1.327% and expires on July 21, 2035.
- On January 29, 1996, the City entered into a lease for the use of Auburn Airport Industrial Park Land. The lease requires monthly payments of \$1,189, has an interest rate of 1.6523% and expires on January 28, 2046.
- On June 27, 2006, the City entered into a lease for the use of Auburn Airport Industrial Park Land. The lease requires monthly payments of \$1,207, has an interest rate of 0.7033% and expires on December 26, 2027.
- On January 1, 1998, the City entered into a lease for the use of Airport Industrial Park Lot/Parcel 28B. The lease requires monthly payments of \$637, has an interest rate of 1.6843% and expires on December 31, 2048.
- On July 6, 1992, the City entered into a lease for the user of Auburn Airport Industrial Park 12745 Earhart Avenue. The lease requires monthly payments of \$6,793, has an interest rate of 1.551% and expires on May 17, 2042.
- On July 14, 1988, the City entered into a lease for the use of 2400 Rickenbacker Way. The lease requires monthly payments of \$823, has an interest rate of 1.327% and expires on September 30, 2040.
- On October 1, 1985, the City entered into a lease for the use of 2399 Rickenbacker Way Lot 11. The lease requires monthly payments of \$206, has an interest rate of 1.7047% and expires on September 30, 2060.
- On February 1, 2001, the City entered into a lease for the use of 2390 Lindberg Street Hangar #80. The lease requires annual payments of \$1,430, has an interest rate of 1.518% and expires on January 31, 2041.
- On August 21, 1985, the City entered into a lease for the use of 2390 Lindberg Street Auburn Airport Industrial Park. The lease requires monthly payments of \$358, has an interest rate of 1.518% and expires on July 21, 2035.
- On September 28, 1992, the City entered into a lease for the use of 2352 and 2370 Wilbur Way lots 38, 39 and 40. The lease requires monthly payments of \$2,090, has an interest rate of 1.551% and expires on September 27, 2042.
- On October 1, 1985, the City entered into a lease for the use of 2329 Rickenbacker Way Auburn Airport Industrial Park. The lease requires monthly payments of \$2,240, has an interest rate of 1.327% and expires on September 30, 2035.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3: LEASES RECEIVABLE (CONTINUED)

- On November 13, 1995, the City entered into a lease for the use of 2303 Lindberg Street Parcel #3. The lease requires monthly payments of \$2,829, has an interest rate of 1.7047% and expires on July 31, 2052.
- On June 22, 1987, the City entered into a lease for the use of 13333 New Airport Road. The lease requires monthly payments of \$2,415, has an interest rate of 1.6633% and expires on September 30, 2047.
- On October 26, 1987, the City entered into a lease for the use of 12970 and 12972 Earhart Avenue. The lease requires monthly payments of \$1,203, has an interest rate of 1.674% and expires on October 25, 2048.
- On June 28, 1977, the City entered into a lease for the use of 12920 Earhart Avenue. The lease requires monthly payments of \$10,395, has an interest rate of 1.2173% and expires on July 24, 2032.
- On January 9, 1995, the City entered into a lease for the use of 12860 Earhart Avenue. The lease requires quarterly payments of \$3,703, has an interest rate of 1.6367% and expires on January 8, 2045.
- On August 10, 1987, the City entered into a lease for the use of 12830 and 12824 Earhart Avenue. The lease requires monthly payments of \$1,922, has an interest rate of 1.3943% and expires on August 9, 2037.
- On August 10, 1987, the City entered into a lease for the use of 12820 Earhart Avenue. The lease requires monthly payments of \$776, has an interest rate of 1.7047% and expires on August 9, 2062.
- On February 10, 1992, the City entered into a lease for the use of 12740 Earhart Avenue, lot 31. The lease requires monthly payments of \$1,393, has an interest rate of 1.6843% and expires on March 9, 2049.
- On February 26, 1996, the City entered into a lease for the use of 12760 Earhart Avenue lot 30. The lease requires monthly payments of \$1,431, has an interest rate of 1.6523% and expires on February 25, 2046.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023, was as follows:

	<u>Balance at July 1, 2022</u>	<u>Additions</u>	<u>Transfers</u>	<u>Balance at June 30, 2023</u>
Governmental activities:				
Capital assets not being depreciated				
SBITA work-in-progress	\$ 78,981	\$ 129,604	\$ -	\$ 208,585
Total capital assets not being depreciated	<u>78,981</u>	<u>129,604</u>	<u>-</u>	<u>208,585</u>
Capital assets being depreciated				
Infrastructure	7,357,486	-	-	7,357,486
Buildings and improvements	6,447,358	31,198	-	6,478,556
Equipment	9,652,638	549,692	-	10,202,330
Land improvements	<u>21,275,131</u>	<u>-</u>	<u>-</u>	<u>21,275,131</u>
Total capital assets being depreciated	<u>44,732,613</u>	<u>580,890</u>	<u>-</u>	<u>45,313,503</u>
Less accumulated depreciation				
Infrastructure	(4,656,287)	(330,569)	-	(4,986,856)
Buildings and improvements	(3,558,297)	(182,426)	-	(3,740,723)
Equipment	(7,194,342)	(469,156)	-	(7,663,498)
Land improvements	<u>(8,828,874)</u>	<u>(1,006,607)</u>	<u>-</u>	<u>(9,835,481)</u>
Total accumulated depreciation	<u>(24,237,800)</u>	<u>(1,988,758)</u>	<u>-</u>	<u>(26,226,558)</u>
Total capital assets being depreciated, net	<u>20,494,813</u>	<u>(1,407,868)</u>	<u>-</u>	<u>19,086,945</u>
Governmental activities capital assets, net	<u>\$ 20,573,794</u>	<u>\$ (1,278,264)</u>	<u>\$ -</u>	<u>\$ 19,295,530</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 2,874,395	\$ -	\$ -	\$ 2,874,395
Construction-in-progress	<u>4,685,281</u>	<u>4,362,569</u>	<u>(26,626)</u>	<u>9,021,224</u>
Total capital assets not being depreciated	<u>7,559,676</u>	<u>4,362,569</u>	<u>(26,626)</u>	<u>11,895,619</u>
Capital assets being depreciated				
Infrastructure	41,127,219	-	26,626	41,153,845
Equipment	<u>16,146,462</u>	<u>10,579</u>	<u>-</u>	<u>16,157,041</u>
Total capital assets being depreciated	<u>57,273,681</u>	<u>10,579</u>	<u>26,626</u>	<u>57,310,886</u>
Less accumulated depreciation				
Infrastructure	(21,501,989)	(1,486,319)	-	(22,988,308)
Equipment	<u>(3,695,250)</u>	<u>(551,519)</u>	<u>-</u>	<u>(4,246,769)</u>
Total accumulated depreciation	<u>(25,197,239)</u>	<u>(2,037,838)</u>	<u>-</u>	<u>(27,235,077)</u>
Total capital assets being depreciated, net	<u>32,076,442</u>	<u>(2,027,259)</u>	<u>26,626</u>	<u>30,075,809</u>
Business-type capital assets, net	<u>\$ 39,636,118</u>	<u>\$ 2,335,310</u>	<u>\$ -</u>	<u>\$ 41,971,428</u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4: CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General administration	\$ 134,457
Public safety	373,034
Transportation	844,660
Community development	<u>636,607</u>
Total governmental activities depreciation expense	\$ <u>1,988,758</u>
Business-type Activities:	
Airport	\$ 572,478
Sewer	<u>1,465,360</u>
Total business-type activities depreciation expense	\$ <u>2,037,838</u>

NOTE 5: INTERFUND TRANSACTIONS

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due to and due from balances as of June 30, 2023:

<u>Due From</u>	<u>Due To</u>	<u>Description</u>	<u>Amount</u>
<u>Major Governmental Funds</u>			
General Fund	Fire Safe Council	Cover negative cash	\$ 1
General Fund	Transit	Cover negative cash	1,073,821
General Fund	Solid Waste Management	Cover negative cash	378,260
General Fund	Auburn School Park Preserve	Cover negative cash	<u>157,514</u>
Total Due From/Due To			\$ <u>1,609,596</u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5: 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, 2023:

<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
Total Major Governmental Interfund Transfers			500,000
<u>Non-Major Governmental Funds</u>			
Transit	General Fund	CalPERS pension bond debt service	27,035
State Law Enforcement Grant	General Fund	SLESF transfer	165,271
Small Business Loans	General Fund	Defederalized funds	32,345
Total Non-Major Governmental Interfund Transfers			224,651
Total Governmental Interfund Transfers			\$ 724,651
<u>Proprietary Funds</u>			
Airport	General Fund	Public safety cost share	\$ 25,000
Sewer	General Fund	CalPERS pension bond debt service	36,047
Total Proprietary Interfund Transfers			\$ 61,047

NOTE 6: 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, 2023:

<u>Governmental Activities:</u>	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2023</u>	<u>Current Portion</u>
Pension obligation bonds	\$ 17,775,100	\$ -	\$ (365,100)	\$ 17,410,000	\$ 662,400
Financed purchases	710,233	-	(83,309)	626,924	86,379
Other liabilities:					
Compensated absences	<u>1,132,364</u>	<u>748,493</u>	<u>(936,765)</u>	<u>944,092</u>	<u>608,515</u>
Total Governmental Activities	\$ 19,617,697	\$ 748,493	\$ (1,385,174)	\$ 18,981,016	\$ 1,357,294

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

A description of the long-term liabilities related to governmental activities at June 30, 2023 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.

City of Auburn 2021 Taxable Pension Obligation Bonds, issued May 26, 2021, in the amount of \$17,165,000 and payable in annual installments of \$165,000 to \$1,075,000, with an interest rate of .391% to 3.23% and maturity on June 1, 2045. Of the total issuance, \$16,135,100 is attributable to governmental activities and \$1,029,900 is attributable to business-type activities. The bonds were used to refund certain obligations of the City owed to the California Public Employees' Retirement System (CalPERS) with respect to pension benefits accruing to current and former City employees. Future debt service payments are as follows:

Pension Obligation Bonds			
For the Year Ending June 30,	Principal	Interest	Total
2024	\$ 662,400	\$ 502,049	\$ 1,164,449
2025	687,400	485,574	1,172,974
2026	722,100	466,297	1,188,397
2027	756,800	444,016	1,200,816
2028	796,200	418,343	1,214,543
2029 - 2033	4,342,800	1,765,007	6,107,807
2034 - 2038	5,264,000	1,157,029	6,421,029
2039 - 2043	3,708,300	387,116	4,095,416
2044 - 2045	<u>470,000</u>	<u>20,343</u>	<u>490,343</u>
Total	<u>\$ 17,410,000</u>	<u>\$ 5,645,774</u>	<u>\$ 23,055,774</u>

B. Financed Purchases

On July 2, 2019, the City entered into a financed purchase agreement with Ford Motor Credit Company LLC in the initial amount of \$95,654 for the purchase of two police vehicles. Principal and interest payment of \$5,635 are due quarterly until April 2024. Interest on the financed purchase agreement is 7.25%. At June 30, 2023, equipment, net of accumulated depreciation, under the financed purchase agreement totaled \$40,995.

On December 20, 2021, the City entered into a financed purchase agreement with Community First National Bank in the initial amount of \$699,659 for the purchase of one Pierce fire engine. Principal and interest payments of \$6,584 are due monthly until December 2031. Interest on the financed purchase agreement is 2.464%. At June 30, 2023, equipment, net of accumulated depreciation, under the financed purchase agreement totaled \$549,732.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Future debt service payments on the agreements are as follows:

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 86,379	\$ 15,173	\$ 101,552
2025	66,439	12,572	79,011
2026	68,094	10,916	79,010
2027	69,792	9,219	79,011
2028	71,531	7,480	79,011
2029 - 2032	<u>264,689</u>	<u>11,849</u>	<u>276,538</u>
Total requirements	<u>\$ 626,924</u>	<u>\$ 67,209</u>	<u>\$ 694,133</u>

C. Compensated Absences

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

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, 2023.

Business-type Activities	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Current Portion
Loans	\$ 8,455,093	\$ -	\$ (249,371)	\$ 8,205,722	\$ 253,610
Pension obligation bonds	1,029,900	-	(9,900)	1,020,000	27,600
2016 Sewer revenue bonds	5,555,000	-	(255,000)	5,300,000	260,000
Add: Premium	<u>228,618</u>	-	<u>(13,448)</u>	<u>215,170</u>	<u>13,448</u>
2016 Sewer revenue bonds, net	<u>5,783,618</u>	-	<u>(268,448)</u>	<u>5,515,170</u>	<u>273,448</u>
Other liabilities:					
Compensated absences	<u>127,119</u>	<u>31,076</u>	<u>(116,147)</u>	<u>42,048</u>	<u>19,586</u>
Total Business-type Activities	<u>\$ 15,395,730</u>	<u>\$ 31,076</u>	<u>\$ (643,866)</u>	<u>\$ 14,782,940</u>	<u>\$ 574,244</u>

A description of the long-term liabilities related to business-type activities at June 30, 2023 is as follows:

D. Loans

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. Pension Obligation Bonds

City of Auburn 2021 Taxable Pension Obligation Bonds, issued May 26, 2021, in the amount of \$17,165,000 and payable in annual installments of \$165,000 to \$1,075,000, with an interest rate of .391% to 3.23% and maturity on June 1, 2045. Of the total issuance, \$16,135,100 is attributable to governmental activities and \$1,029,900 is attributable to business-type activities. The bonds were used to refund certain obligations of the City owed to the California Public Employees' Retirement System (CalPERS) with respect to pension benefits accruing to current and former City employees.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

F. 2016 Sewer Revenue Bonds

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

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

Loans			
For the Year Ending June 30,	Principal	Interest	Total
2024	\$ 253,610	\$ 139,497	\$ 393,107
2025	257,921	135,186	393,107
2026	262,306	130,801	393,107
2027	266,765	126,342	393,107
2028	271,300	121,807	393,107
2029 - 2033	1,427,270	538,265	1,965,535
2034 - 2038	1,552,785	412,752	1,965,537
2039 - 2043	1,689,335	276,200	1,965,535
2044 - 2048	1,837,895	127,641	1,965,536
2049	<u>386,535</u>	<u>6,571</u>	<u>393,106</u>
Total	<u>\$ 8,205,722</u>	<u>\$ 2,015,062</u>	<u>\$ 10,220,784</u>

Pension Obligation Bonds			
For the Year Ending June 30,	Principal	Interest	Total
2024	\$ 27,600	\$ 26,633	\$ 54,233
2025	27,600	26,633	54,233
2026	27,900	26,452	54,352
2027	28,200	25,843	54,043
2028	28,800	25,397	54,197
2029 - 2033	277,200	112,661	389,861
2034 - 2038	336,000	73,853	409,853
2039 - 2043	236,700	24,711	261,411
2044 - 2047	<u>30,000</u>	<u>1,298</u>	<u>31,298</u>
Total	<u>\$ 1,020,000</u>	<u>\$ 343,481</u>	<u>\$ 1,363,481</u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Sewer Revenue Bonds			
For the Year Ending June 30,	Principal	Interest	Total
2024	\$ 260,000	\$ 158,092	\$ 418,092
2025	265,000	151,592	416,592
2026	280,000	140,992	420,992
2027	290,000	129,792	419,792
2028	300,000	118,192	418,192
2029 - 2033	1,625,000	471,622	2,096,622
2034 - 2038	1,870,000	231,530	2,101,530
2039	<u>410,000</u>	<u>12,300</u>	<u>422,300</u>
Total	<u>\$ 5,300,000</u>	<u>\$ 1,414,112</u>	<u>\$ 6,714,112</u>

NOTE 7: 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, 2023 totaled \$45,170. At June 30, 2023, \$722,718 was reported as deferred amount on bond refunding.

NOTE 8: 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 PEPRM Miscellaneous plan (PEPRM 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 PEPRM Safety Fire plan (PEPRM Fire) and the PEPRM Safety Police plan (PEPRM Police).

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8: PENSION PLAN (CONTINUED)

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.

The Plans' provisions and benefits in effect at June 30, 2023, 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	6.92%	6.75%	
Required employer contribution rates	10.87%	7.47%	
Required UAL contribution	\$690,253	\$6,873	

Employer Rate Plans in the Safety Risk Pool			
	1st Tier Police	2nd Tier Police	PEPRA Police
Hire Date	Prior to 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	8.99%	8.95%	13.00%
Required employer contribution rates	23.75%	19.27%	12.78%
Required UAL contribution	\$872,893	\$10,758	\$3,603

	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	8.99%	8.95%	15.00%
Required employer contribution rates	27.14%	23.1%	14.77%
Required UAL contribution	\$210,450	\$4,020	\$4,126

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8: PENSION PLAN (CONTINUED)

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, 2023 were \$1,262,122.

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

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$6,547,191. \$6,113,376 of the liability is reported in governmental activities and \$433,815 of the liability is reported in business-type activities.

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, 2022, 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, 2021 rolled forward to June 30, 2022 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, 2021 and 2022 was as follows:

	<u>Miscellaneous Risk Pool</u>	<u>Safety Risk Pool</u>
Proportion at measurement date – June 30, 2021	(0.162490)%	(0.130100)%
Proportion at measurement date – June 30, 2022	<u>0.050386 %</u>	<u>0.060969 %</u>
Change – increase (decrease)	<u><u>0.212876 %</u></u>	<u><u>0.191069 %</u></u>

For the year ended June 30, 2023, the City recognized pension expense of \$3,024,281. At June 30, 2023, 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	\$ 665,906	\$ 231,480
Changes in assumptions	1,996,842	-
Net differences between projected and actual earnings on plan investments	3,584,379	-
Adjustment due to differences in proportions	1,909,632	7,330,004
Difference between actual and required contributions	6,795,860	2,788,912
Contributions after the measurement date	<u>1,262,122</u>	<u>-</u>
Total	<u><u>\$ 16,214,741</u></u>	<u><u>\$ 10,350,396</u></u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8: PENSION PLAN (CONTINUED)

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 (income) as follows:

<u>Year Ended June 30,</u>	
2024	\$ 941,279
2025	777,057
2026	469,422
2027	<u>2,414,465</u>
Total	<u>\$ 4,602,223</u>

Actuarial Assumptions

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

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.90% 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 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 202 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Changes of Assumptions

For the measurement period June 30, 2022, the accounting discount rate was reduced from 7.15% to 6.9%.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8: PENSION PLAN (CONTINUED)

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 long-term market return expectations as well as the expected pension fund (PERF) cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

Asset Class	Assumed Asset Allocation	Real Return ^{(a)(b)}
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.0%)	(0.59%)

(a) An expected inflation of 2.3% used for this period.

(b) Figures are based on 2021-22 Asset Liability Management study.

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 (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability	\$ 18,071,668	\$ 6,547,191	\$ (2,894,753)

Pension Plan Fiduciary Net Position

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

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: 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 (\$151 per month in 2032 and indexed to the Medical CPI thereafter) towards the retiree monthly premium for eligible retirees participating in PEMHCA.

Employees Covered

As of the June 30, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	89
Inactive employees currently receiving benefits	<u>28</u>
Total	<u><u>117</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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Total OPEB Liability

The City's total OPEB liability ("NOL") was measured as of June 30, 2023 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions:

Discount Rate	3.65%
Inflation	2.50%
Salary Increases	2.75% per annum
Investment Rate of Return	3.65%
Mortality Rates:	
Police	2021 CalPERS Mortality for Safety Employees
Fire	2021 CalPERS Mortality for Safety Employees
Miscellaneous	2021 CalPERS Mortality for Miscellaneous Employees
Turnover Rates:	
Police	2021 CalPERS Turnover for Police
Fire	2021 CalPERS Turnover for Fire Employees
Miscellaneous	2021 CalPERS Turnover for Miscellaneous Employees
Retirement Rates:	
Police	Hired 2012 and earlier: 2021 CalPERS 3.0% @ 50 Rates for Police Employees Hired 2013 and later: 2021 CalPERS 2.7% @ 57 Rates for Police Employees
Fire	Hired before 7/1/10: 3% @ 50 retirement rates for firefighters Hired 7/1/10 - 12/31/12: 2% @ 50 retirement rates for firefighters Hired after 12/31/2012: 2.7% @ 57 retirement rates for firefighters
Miscellaneous	Hired 2012 and earlier: 2021 CalPERS 2.0% @ 55 Rates for Miscellaneous Employees Hired 2013 and later: 2021 CalPERS 2.0% @ 62 Rates for Miscellaneous Employees
Healthcare Trend Rate	4.00% per annum

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65% 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 3.54 percent to 3.65 percent for the measurement period ended June 30, 2023.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes in the OPEB Liability

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

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 1,650,097
Service cost	122,747
Interest in TOL	59,864
Assumption changes	23,779
Experience gains (losses)	61,248
Benefit payments	<u>(40,776)</u>
Net change	<u>226,862</u>
Balance at June 30, 2023	<u>\$ 1,876,959</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, 2023:

	<u>1% Decrease (2.65%)</u>	<u>Current Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
Total OPEB Liability	\$ <u>2,222,420</u>	\$ <u>1,876,959</u>	\$ <u>1,604,934</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, 2023:

	<u>1% Decrease (3.00%)</u>	<u>Current Healthcare Cost Trend Rate (4.00%)</u>	<u>1% Increase (5.00%)</u>
Total OPEB Liability	\$ <u>1,565,763</u>	\$ <u>1,876,959</u>	\$ <u>2,287,008</u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: 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) (11.8 years at June 30, 2023)
-------------------	--

OPEB Expense

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$145,625. As of the fiscal year ended June 30, 2023, 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	\$ 56,057	\$ 457,699
Changes of assumptions	<u>359,294</u>	<u>433,790</u>
Total	<u>\$ 415,351</u>	<u>\$ 891,489</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
2024	\$ (36,986)
2025	(36,986)
2026	(36,986)
2027	(36,986)
2028	(33,769)
Thereafter	<u>(294,425)</u>
Total	<u>\$ (476,138)</u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10: NET POSITION

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

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

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$1,909,754 of restricted net position, of which \$1,908,576 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 11: 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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11: FUND BALANCE (CONTINUED)

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.

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, 2023, fund balances for all major and nonmajor governmental funds were comprised of the following:

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable			
Prepaid costs	\$ <u>618,282</u>	\$ <u>-</u>	\$ <u>618,282</u>
Total Nonspendable	<u>618,282</u>	<u>-</u>	<u>618,282</u>
Restricted for:			
Public safety - police protection	-	218,160	218,160
Street maintenance & construction	-	368,216	368,216
Fire protection services	-	1,378	1,378
Community development	-	387,133	387,133
Capital projects	<u>-</u>	<u>934,867</u>	<u>934,867</u>
Total Restricted	<u>-</u>	<u>1,909,754</u>	<u>1,909,754</u>
Committed to:			
Economic uncertainty	<u>2,356,953</u>	<u>-</u>	<u>2,356,953</u>
Total Committed	<u>2,356,953</u>	<u>-</u>	<u>2,356,953</u>
Unassigned	<u>4,387,182</u>	<u>(955,070)</u>	<u>3,432,112</u>
Total Fund Balance	\$ <u><u>7,362,417</u></u>	\$ <u><u>954,684</u></u>	\$ <u><u>8,317,101</u></u>

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11: FUND BALANCE (CONTINUED)

Fund Balance Deficits

As of June 30, 2023, the following funds had a fund balance deficit:

<u>Fund</u>	<u>Deficit</u>
Transit	\$ 190,826
Maidu Fire Station	6,855
Solid Waste Management	599,875
Auburn School Park Preserve	157,514

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

NOTE 12: 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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12: RISK MANAGEMENT (CONTINUED)

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

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

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

The participants as of June 30, 2023 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 \$553,531 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.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13: 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, 2023:

<u>Fund</u>	<u>Excess Expenditures and Transfers</u>
State Gas Tax	\$ 152,236
Transportation	420,820
Home Housing Rehabilitation & First Time Homebuyer	2,860
Solid Waste Management	289,740
State Law Enforcement Grant	9,271
Facilities and Equipment	29,551

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

NOTE 14: CONTINGENT LIABILITIES AND COMMITMENTS

A. Contractual Obligations

At June 30, 2023, the City had construction contracts outstanding of approximately \$646,474 for the Auburn Pump Stations SCADA upgrades project.

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.

NOTE 15: 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. The specific amount abated is not disclosed because sales tax information is confidential under California Revenue and Taxation Code Section 7056.

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

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16: 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, 2023:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2022</u>	<u>Additions/ Adjustments</u>	<u>Retirements</u>	<u>Balance June 30, 2023</u>	<u>Amounts Due Within One Year</u>
Tax allocation bonds	\$ 3,540,000	\$ -	\$ (170,000)	\$ 3,370,000	\$ 170,000
Plus: Discounts	<u>83,813</u>	<u>-</u>	<u>(5,238)</u>	<u>78,575</u>	<u>5,238</u>
Tax allocation bonds, net	<u>3,623,813</u>	<u>-</u>	<u>(175,238)</u>	<u>3,448,575</u>	<u>175,238</u>
Total	\$ <u>3,623,813</u>	\$ <u>-</u>	\$ <u>(175,238)</u>	\$ <u>3,448,575</u>	\$ <u>175,238</u>

Individual issues of debt payable outstanding at June 30, 2023, 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.

\$ 3,370,000

Total Tax Allocation Bonds

\$ 3,370,000

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

<u>Year Ended June 30,</u>	<u>Tax Allocation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 170,000	\$ 123,956	\$ 293,956
2025	185,000	115,456	300,456
2026	195,000	106,206	301,206
2027	195,000	100,844	295,844
2028	200,000	94,994	294,994
2029 - 2033	1,110,000	375,696	1,485,696
2034 - 2038	<u>1,315,000</u>	<u>161,600</u>	<u>1,476,600</u>
Total	\$ <u>3,370,000</u>	\$ <u>1,078,752</u>	\$ <u>4,448,752</u>

NOTE 17: 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, 2023, \$441,260 in deferred outflows of resources was reported.

CITY OF AUBURN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18: PRIOR PERIOD ADJUSTMENT

During the current year, the City identified program income received in prior years in the Small Business Loan Fund that had not been properly transferred to the General Fund.

The impact of the restatement on fund balance on the governmental fund financial statements as previously reported is presented below:

	<u>General</u>	<u>Small Business Loans</u>	<u>Total</u>
Net Position, June 30, 2022 as previously reported	\$ 8,538,133	\$ 1,393,935	\$ 9,932,068
Adjustment associated with: Program income	<u>74,803</u>	<u>(74,803)</u>	<u>-</u>
Net Position, July 1, 2022, as restated	<u>\$ 8,612,936</u>	<u>\$ 1,319,132</u>	<u>\$ 9,932,068</u>

NOTE 19: SUBSEQUENT EVENTS

Management has evaluated events subsequent to June 30, 2023 through June 6, 2024, the date on which the financial statements were available for issuance. Management has determined no other 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, 2023
Last 10 Years*

	Measurement Period			
	2014	2015	2016	2017
Proportion of the net pension liability	0.16656 %	0.16851 %	0.17402 %	0.17533 %
Proportionate share of the net pension liability	\$ 10,364,029	\$ 11,566,338	\$ 15,057,902	\$ 17,388,071
Covered payroll	\$ 5,246,758	\$ 5,395,469	\$ 4,719,132	\$ 5,033,740
Proportionate share of the net pension liability as a percentage of covered payroll	197.53 %	214.37 %	319.08 %	345.43 %
Plan fiduciary net position as a percentage of the total pension liability	79.82 %	78.40 %	74.06 %	73.29 %

Notes to Schedule:

Changes in assumptions – In 2022, the accounting discount rate was reduced from 7.15% to 6.90%. In 2021, 2020 and 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 nine years are shown. Additional years' information will be displayed as it becomes available.

CITY OF AUBURN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
As of June 30, 2023
Last 10 Years*

	Measurement Period				
	2018	2019	2020	2021	2022
Proportion of the net pension liability	0.18081 %	0.18488 %	0.19004 %	(0.14147)%	0.05668 %
Proportionate share of the net pension liability	\$ 17,423,632	\$ 18,944,979	\$ 20,677,463	\$ (7,651,281)	\$ 6,547,191
Covered payroll	\$ 5,564,549	\$ 5,486,264	\$ 5,906,518	\$ 6,112,371	\$ 5,703,363
Proportionate share of the net pension liability as a percentage of covered payroll	313.12 %	345.32 %	350.08 %	(125.18)%	114.80 %
Plan fiduciary net position as a percentage of the total pension liability	75.30 %	75.30 %	75.10 %	88.30 %	92.19 %

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, 2023
Last 10 Years*

	Fiscal Year-End			
	2015**	2016	2017	2018
Contractually required contribution (actuarially determined)	\$ 1,009,017	\$ 1,172,934	\$ 1,314,609	\$ 1,399,915
Contributions in relation to the actuarially determined contributions	<u>(1,009,017)</u>	<u>(1,172,934)</u>	<u>(1,314,609)</u>	<u>(1,399,915)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 5,395,469	\$ 4,719,132	\$ 5,033,740	\$ 5,564,549
Contributions as a percentage of covered payroll	18.70 %	24.85 %	26.12 %	25.16 %

* Schedule is intended to show information for ten years. Fiscal year 2015 was the first year of implementation, therefore only nine 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 CONTRIBUTIONS (CONTINUED)
Prepared for the City's Miscellaneous and Safety Cost Sharing Defined Benefit Pension Plan
As of June 30, 2023
Last 10 Years*

	Fiscal Year-End				
	2019	2020	2021	2022	2023
Contractually required contribution (actuarially determined)	\$ 1,621,698	\$ 1,869,259	\$ 2,117,212	\$ 1,133,452	\$ 1,262,122
Contributions in relation to the actuarially determined contributions	<u>(1,621,698)</u>	<u>(1,869,259)</u>	<u>(18,932,898)</u>	<u>(1,133,452)</u>	<u>(1,262,122)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(16,815,686)</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 5,486,264	\$ 5,906,518	\$ 6,112,371	\$ 5,703,363	\$ 6,977,594
Contributions as a percentage of covered payroll	29.56 %	31.65 %	309.75 %	19.87 %	18.09 %

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>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB liability							
Service cost	\$ 82,759	\$ 85,034	\$ 87,372	\$ 92,527	\$ 141,146	\$ 173,473	\$ 122,747
Interest	53,292	62,063	63,343	61,224	51,702	43,201	59,864
Experience gains (losses)	-	-	(116,192)	-	(511,448)	-	61,248
Changes in assumptions	-	(85,124)	79,593	462,186	(8,208)	(460,892)	23,779
Benefit payments	<u>(27,180)</u>	<u>(28,267)</u>	<u>(30,632)</u>	<u>(38,073)</u>	<u>(40,805)</u>	<u>(37,975)</u>	<u>(40,776)</u>
Net change in total OPEB liability	108,871	33,706	83,484	577,864	(367,613)	(282,193)	226,862
Total OPEB liability, beginning	<u>1,495,978</u>	<u>1,604,849</u>	<u>1,638,555</u>	<u>1,722,039</u>	<u>2,299,903</u>	<u>1,932,290</u>	<u>1,650,097</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>	<u>\$ 1,932,290</u>	<u>\$ 1,650,097</u>	<u>\$ 1,876,959</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	\$ 7,008,503	\$ 6,793,450	\$ 7,531,512
City's total OPEB liability as a percentage of covered-employee payroll	28 %	29 %	29 %	32 %	28 %	24 %	25 %

Notes to Schedule:

Changes in assumptions – Changes in the discount rate were as follows for the measurement period ending:

June 30, 2023	3.65%
June 30, 2022	3.54%
June 30, 2021	2.16%
June 30, 2020	2.20%
June 30, 2019	3.50%
June 30, 2018	3.80%

* Schedule is intended to show information for ten years. Fiscal year 2017 was the first year of implementation, therefore only seven 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, 2023

	<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	\$ 14,565,040	\$ 14,565,040	\$ 14,192,904	\$ (372,136)
Licenses and permits	415,500	415,500	573,627	158,127
Fines and forfeitures	78,350	78,350	101,777	23,427
Use of money and property	351,500	351,500	617,782	266,282
Intergovernmental	2,626,417	1,445,281	984,850	(460,431)
Charges for service	368,013	368,063	386,835	18,772
Other revenues	<u>31,460</u>	<u>31,410</u>	<u>83,133</u>	<u>51,723</u>
Total Revenues	<u>18,436,280</u>	<u>17,255,144</u>	<u>16,940,908</u>	<u>(314,236)</u>
<u>EXPENDITURES</u>				
Current operations:				
General Government:				
City council	92,572	92,572	86,194	6,378
City manager	372,432	377,047	382,217	(5,170)
City clerk	132,560	132,560	128,452	4,108
Finance	746,118	746,128	962,776	(216,648)
City attorney	359,500	360,000	394,266	(34,266)
Information technology	632,832	668,928	571,412	97,516
Insurance programs	927,867	955,852	848,253	107,599
Support for community programs	203,902	203,902	153,475	50,427
Nondepartmental	349,922	349,922	318,920	31,002
ARPA	<u>1,503,314</u>	<u>260,470</u>	<u>274,661</u>	<u>(14,191)</u>
Total General Government	<u>5,321,019</u>	<u>4,147,381</u>	<u>4,120,626</u>	<u>26,755</u>
Public Safety:				
Police	5,646,549	5,646,549	5,472,289	174,260
Fire	<u>3,476,804</u>	<u>3,379,985</u>	<u>3,504,650</u>	<u>(124,665)</u>
Total Public Safety	<u>9,123,353</u>	<u>9,026,534</u>	<u>8,976,939</u>	<u>49,595</u>
Transportation:				
Administration and engineering	278,345	281,701	275,405	6,296
Construction and maintenance	444,459	422,202	425,085	(2,883)
Yard and shop	266,164	252,896	298,312	(45,416)
Stormwater management	<u>1,068,480</u>	<u>1,130,112</u>	<u>1,257,185</u>	<u>(127,073)</u>
Total Transportation	<u>2,057,448</u>	<u>2,086,911</u>	<u>2,255,987</u>	<u>(169,076)</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, 2023

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Community Development:				
Economic development	204,488	164,441	202,364	(37,923)
Planning	275,363	183,637	182,543	1,094
Building inspections	360,931	362,391	294,661	67,730
Building maintenance	<u>434,610</u>	<u>432,024</u>	<u>530,941</u>	<u>(98,917)</u>
Total Community Development	<u>1,275,392</u>	<u>1,142,493</u>	<u>1,210,509</u>	<u>(68,016)</u>
Nondepartmental:				
Debt service:				
Principal	916,781	375,000	420,922	(45,922)
Interest and fiscal charges	-	541,781	511,084	30,697
Capital outlay	<u>1,555,649</u>	<u>1,602,862</u>	<u>481,059</u>	<u>1,121,803</u>
Total Nondepartmental	<u>2,472,430</u>	<u>2,519,643</u>	<u>1,413,065</u>	<u>1,106,578</u>
Total Expenditures	<u>20,249,642</u>	<u>18,922,962</u>	<u>17,977,126</u>	<u>945,836</u>
Excess (deficiency) of revenues over expenditures	<u>(1,813,362)</u>	<u>(1,667,818)</u>	<u>(1,036,218)</u>	<u>631,600</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,507,667	341,659	285,699	(55,960)
Transfers out	<u>-</u>	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>
Total other financing sources (uses)	<u>1,507,667</u>	<u>341,659</u>	<u>(214,301)</u>	<u>(555,960)</u>
Net change in fund balance	<u>\$ (305,695)</u>	<u>\$ (1,326,159)</u>	<u>(1,250,519)</u>	<u>\$ 75,640</u>
Fund balance - July 1, 2022			8,538,133	
Prior period adjustment			<u>74,803</u>	
Fund balance - July 1, 2022, restated			<u>8,612,936</u>	
Fund balance - June 30, 2023			<u>\$ 7,362,417</u>	

CITY OF AUBURN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION ON
BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2023

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 Finance 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, 2023, 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
Miscellaneous Grants	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:

Fund	Department	Excess of Expenditures over Appropriations
General Fund	City manager	\$ 5,170
	Finance	216,648
	City Attorney	34,266
	ARPA	14,191
	Fire	124,665
	Construction and maintenance	2,883
	Yard and shop	45,416
	Stormwater management	127,073
	Economic development	37,923
	Building maintenance	98,917
	Debt service principal	45,922

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.

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.

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.

HOME Housing Rehabilitation & First Time Homebuyer Fund

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

Small Business Loans (Community Development Block Grant) Fund

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

Solid Waste Management Fund

The Solid Waste Management 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.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

Facilities and Equipment Fund

The Facilities and Equipment 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.

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, 2023

	Special Revenue Funds			
	<u>State Gas Tax</u>	<u>Transportation</u>	<u>Transit</u>	<u>Property Seizures</u>
<u>ASSETS</u>				
Cash and investments	\$ 332,589	\$ 189,730	\$ -	\$ 218,160
Accounts receivables	-	-	145,403	-
Interest receivable	1,214	-	-	-
Taxes receivable	53,893	305,499	761,376	-
Loans receivables	-	-	-	-
Total Assets	<u>\$ 387,696</u>	<u>\$ 495,229</u>	<u>\$ 906,779</u>	<u>\$ 218,160</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 252,456	\$ 262,253	\$ 5,337	\$ -
Accrued salaries and benefits	-	-	18,447	-
Due to other funds	-	-	1,073,821	-
Total Liabilities	<u>252,456</u>	<u>262,253</u>	<u>1,097,605</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS):</u>				
Restricted for:				
Public safety - police protection	-	-	-	218,160
Street maintenance & construction	135,240	232,976	-	-
Fire protection services	-	-	-	-
Community development	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	(190,826)	-
Total fund balances (deficits)	<u>135,240</u>	<u>232,976</u>	<u>(190,826)</u>	<u>218,160</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 387,696</u>	<u>\$ 495,229</u>	<u>\$ 906,779</u>	<u>\$ 218,160</u>

CITY OF AUBURN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (CONTINUED)
JUNE 30, 2023

	Special Revenue Funds			
	Maidu Fire Station	HOME Housing Rehabilitation & First Time Homebuyer	Small Business Loans	Solid Waste Management
<u>ASSETS</u>				
Cash and investments	\$ (6,855)	\$ 276,713	\$ 96,724	\$ -
Accounts receivables	-	10,486	2,126	73,431
Interest receivable	-	1,084	-	-
Taxes receivable	-	-	-	-
Loans receivables	-	1,950,914	211,000	-
Total Assets	<u>\$ (6,855)</u>	<u>\$ 2,239,197</u>	<u>\$ 309,850</u>	<u>\$ 73,431</u>
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ 295,046
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	-	-	378,260
Total Liabilities	-	-	-	673,306
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenues	-	1,950,914	211,000	-
Total Deferred Inflows of Resources	-	1,950,914	211,000	-
<u>FUND BALANCES (DEFICITS):</u>				
Restricted for:				
Public safety - police protection	-	-	-	-
Street maintenance & construction	-	-	-	-
Fire protection services	-	-	-	-
Community development	-	288,283	98,850	-
Capital projects	-	-	-	-
Unassigned	(6,855)	-	-	(599,875)
Total fund balances (deficits)	<u>(6,855)</u>	<u>288,283</u>	<u>98,850</u>	<u>(599,875)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ (6,855)</u>	<u>\$ 2,239,197</u>	<u>\$ 309,850</u>	<u>\$ 73,431</u>

CITY OF AUBURN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (CONTINUED)
JUNE 30, 2023

	Special Revenue Funds		
	State Law Enforcement Grant	Facilities and Equipment	Miscellaneous Grants
<u>ASSETS</u>			
Cash and investments	\$ -	\$ 149,443	\$ 1,378
Accounts receivables	-	-	-
Interest receivable	-	587	-
Taxes receivable	-	-	-
Loans receivables	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ 150,030</u>	<u>\$ 1,378</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ 145,000	\$ -
Accrued salaries and benefits	-	-	-
Due to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>145,000</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>			
Restricted for:			
Public safety - police protection	-	-	-
Street maintenance & construction	-	-	-
Fire protection services	-	-	1,378
Community development	-	-	-
Capital projects	-	5,030	-
Unassigned	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>-</u>	<u>5,030</u>	<u>1,378</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ -</u>	<u>\$ 150,030</u>	<u>\$ 1,378</u>

CITY OF AUBURN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (CONTINUED)
JUNE 30, 2023

	<u>Capital Projects Funds</u>		Total Non-major Governmental Funds
	<u>Auburn School Park Preserve</u>	<u>Project Fund</u>	
<u>ASSETS</u>			
Cash and investments	\$ -	\$ 926,206	\$ 2,184,088
Accounts receivables	-	-	231,446
Interest receivable	-	3,631	6,516
Taxes receivable	-	-	1,120,768
Loans receivables	-	-	2,161,914
	<u>-</u>	<u>-</u>	<u>2,161,914</u>
Total Assets	<u>\$ -</u>	<u>\$ 929,837</u>	<u>\$ 5,704,732</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ -	\$ 960,092
Accrued salaries and benefits	-	-	18,447
Due to other funds	<u>157,514</u>	<u>-</u>	<u>1,609,595</u>
Total Liabilities	<u>157,514</u>	<u>-</u>	<u>2,588,134</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenues	<u>-</u>	<u>-</u>	<u>2,161,914</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>2,161,914</u>
<u>FUND BALANCES (DEFICITS):</u>			
Restricted for:			
Public safety - police protection	-	-	218,160
Street maintenance & construction	-	-	368,216
Fire protection services	-	-	1,378
Community development	-	-	387,133
Capital projects	-	929,837	934,867
Unassigned	<u>(157,514)</u>	<u>-</u>	<u>(955,070)</u>
Total fund balances (deficits)	<u>(157,514)</u>	<u>929,837</u>	<u>954,684</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ -</u>	<u>\$ 929,837</u>	<u>\$ 5,704,732</u>

CITY OF AUBURN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	State Gas Tax	Transportation	Transit	Property Seizures
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Use of money and property	4,441	1,147	-	-
Intergovernmental	663,253	1,228,338	1,617,275	-
Charges for services	-	-	59,213	-
Other revenues	-	-	-	57,400
Total Revenues	<u>667,694</u>	<u>1,229,485</u>	<u>1,676,488</u>	<u>57,400</u>
<u>EXPENDITURES</u>				
Current operations:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	358,345	128,637	904,101	-
Community development	-	-	-	-
Debt service:				
Principal	-	-	7,425	20,062
Interest and fiscal charges	-	-	20,004	2,480
Capital outlay	<u>980,391</u>	<u>1,544,593</u>	<u>270,933</u>	<u>-</u>
Total Expenditures	<u>1,338,736</u>	<u>1,673,230</u>	<u>1,202,463</u>	<u>22,542</u>
Excess (deficiency) of revenues over expenditures	<u>(671,042)</u>	<u>(443,745)</u>	<u>474,025</u>	<u>34,858</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	500,000	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(27,035)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>500,000</u>	<u>(27,035)</u>	<u>-</u>
Net change in fund balance	(671,042)	56,255	446,990	34,858
Fund balance (deficit) - July 1, 2022	806,282	176,721	(637,816)	183,302
Prior period adjustment (Note 18)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - June 30, 2023	<u>\$ 135,240</u>	<u>\$ 232,976</u>	<u>\$ (190,826)</u>	<u>\$ 218,160</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, 2023

	Special Revenue Funds			
	Maidu Fire Station	HOME Housing Rehabilitation & First Time Homebuyer	Small Business Loans	Solid Waste Management
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 286,727
Licenses and permits	-	-	-	-
Use of money and property	-	15,206	2,611	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenues	-	2,127	29,584	-
Total Revenues	-	17,333	32,195	286,727
<u>EXPENDITURES</u>				
Current operations:				
General government	-	-	-	-
Public safety	-	-	-	582,320
Transportation	-	-	-	-
Community development	-	4,360	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	4,360	-	582,320
Excess (deficiency) of revenues over expenditures	-	12,973	32,195	(295,593)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	(32,346)	-
Total Other Financing Sources (Uses)	-	-	(32,346)	-
Net change in fund balance	-	12,973	(151)	(295,593)
Fund balance (deficit) - July 1, 2022	(6,855)	275,310	173,804	(304,282)
Prior period adjustment (Note 18)	-	-	(74,803)	-
Fund balance (deficit) - June 30, 2023	<u>\$ (6,855)</u>	<u>\$ 288,283</u>	<u>\$ 98,850</u>	<u>\$ (599,875)</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, 2023

	Special Revenue Funds		
	State Law Enforcement Grant	Facilities and Equipment	Miscellaneous Grants
<u>REVENUES</u>			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses and permits	-	87,775	-
Use of money and property	-	2,043	-
Intergovernmental	165,271	2,571	-
Charges for services	-	2,500	-
Other revenues	-	866	-
	<u>-</u>	<u>95,755</u>	<u>-</u>
Total Revenues	<u>165,271</u>	<u>95,755</u>	<u>-</u>
<u>EXPENDITURES</u>			
Current operations:			
General government	-	131	-
Public safety	-	650	2,102
Transportation	-	-	-
Community development	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	175,170	-
	<u>-</u>	<u>175,951</u>	<u>2,102</u>
Total Expenditures	<u>-</u>	<u>175,951</u>	<u>2,102</u>
Excess (deficiency) of revenues over expenditures	<u>165,271</u>	<u>(80,196)</u>	<u>(2,102)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	-	-
Transfers out	(165,271)	-	-
	<u>(165,271)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(165,271)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(80,196)	(2,102)
Fund balance (deficit) - July 1, 2022	-	85,226	3,480
Prior period adjustment (Note 18)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - June 30, 2023	<u>\$ -</u>	<u>\$ 5,030</u>	<u>\$ 1,378</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, 2023

	<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>REVENUES</u>			
Taxes and assessments	\$ -	\$ -	\$ 286,727
Licenses and permits	-	-	87,775
Use of money and property	2,000	14,333	41,781
Intergovernmental	-	-	3,676,708
Charges for services	-	118,372	180,085
Other revenues	-	-	89,977
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>2,000</u>	<u>132,705</u>	<u>4,363,053</u>
<u>EXPENDITURES</u>			
Current operations:			
General government	-	-	131
Public safety	-	-	585,072
Transportation	-	-	1,391,083
Community development	-	1,145	5,505
Debt service:			
Principal	-	-	27,487
Interest and fiscal charges	-	-	22,484
Capital outlay	-	-	2,971,087
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>1,145</u>	<u>5,002,849</u>
Excess (deficiency) of revenues over expenditures	<u>2,000</u>	<u>131,560</u>	<u>(639,796)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	-	500,000
Transfers out	-	-	(224,652)
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>275,348</u>
Net change in fund balance	2,000	131,560	(364,448)
Fund balance (deficit) - July 1, 2022	(159,514)	798,277	1,393,935
Prior period adjustment (Note 18)	-	-	(74,803)
	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - June 30, 2023	<u>\$ (157,514)</u>	<u>\$ 929,837</u>	<u>\$ 954,684</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, 2023

	<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	\$ 4,000	\$ 4,000	\$ 4,441	\$ 441
Intergovernmental	<u>659,992</u>	<u>659,992</u>	<u>663,253</u>	<u>3,261</u>
Total Revenues	<u>663,992</u>	<u>663,992</u>	<u>667,694</u>	<u>3,702</u>
<u>EXPENDITURES</u>				
Current operations:				
Transportation	436,500	436,500	358,345	78,155
Capital outlay	<u>750,000</u>	<u>750,000</u>	<u>980,391</u>	<u>(230,391)</u>
Total Expenditures	<u>1,186,500</u>	<u>1,186,500</u>	<u>1,338,736</u>	<u>(152,236)</u>
Net change in fund balance	\$ <u>(522,508)</u>	\$ <u>(522,508)</u>	(671,042)	\$ <u>(148,534)</u>
Fund balance - July 1, 2022			<u>806,282</u>	
Fund balance - June 30, 2023			<u>\$ 135,240</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, 2023

	<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	\$ 500	\$ 500	\$ 1,147	\$ 647
Intergovernmental	<u>1,013,316</u>	<u>1,013,316</u>	<u>1,228,338</u>	<u>215,022</u>
Total Revenues	<u>1,013,816</u>	<u>1,013,816</u>	<u>1,229,485</u>	<u>215,669</u>
<u>EXPENDITURES</u>				
Current operations:				
Transportation	227,500	227,500	128,637	98,863
Capital outlay	<u>1,024,910</u>	<u>1,024,910</u>	<u>1,544,593</u>	<u>(519,683)</u>
Total Expenditures	<u>1,252,410</u>	<u>1,252,410</u>	<u>1,673,230</u>	<u>(420,820)</u>
Excess (deficiency) of revenues over expenditures	<u>(238,594)</u>	<u>(238,594)</u>	<u>(443,745)</u>	<u>(205,151)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balance	\$ <u>261,406</u>	\$ <u>261,406</u>	56,255	\$ <u>(205,151)</u>
Fund balance - July 1, 2022			<u>176,721</u>	
Fund balance - June 30, 2023			\$ <u>232,976</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, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ 2,027,628	\$ 2,027,628	\$ 1,617,275	\$ (410,353)
Charges for services	<u>53,500</u>	<u>53,500</u>	<u>59,213</u>	<u>5,713</u>
Total Revenues	<u>2,081,128</u>	<u>2,081,128</u>	<u>1,676,488</u>	<u>(404,640)</u>
<u>EXPENDITURES</u>				
Current operations:				
Transportation	1,020,715	1,020,715	904,101	116,614
Principal	-	-	7,425	(7,425)
Interest and fiscal charges	-	-	20,004	(20,004)
Capital outlay	<u>422,500</u>	<u>422,500</u>	<u>270,933</u>	<u>151,567</u>
Total Expenditures	<u>1,443,215</u>	<u>1,443,215</u>	<u>1,202,463</u>	<u>240,752</u>
Excess (deficiency) of revenues over expenditures	<u>637,913</u>	<u>637,913</u>	<u>474,025</u>	<u>(163,888)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	-	(27,035)	(27,035)
Total other financing sources (uses)	-	-	(27,035)	(27,035)
Net change in fund balance	<u>\$ 637,913</u>	<u>\$ 637,913</u>	446,990	<u>\$ (190,923)</u>
Fund balance (deficit) - July 1, 2022			(637,816)	
Fund balance (deficit) - June 30, 2023			<u>\$ (190,826)</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, 2023

	<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>57,401</u>	\$ <u>57,401</u>	\$ <u>57,400</u>	\$ <u>(1)</u>
Total Revenues	<u>57,401</u>	<u>57,401</u>	<u>57,400</u>	<u>(1)</u>
<u>EXPENDITURES</u>				
Current operations:				
Debt service:				
Principal	-	-	20,062	(20,062)
Interest and fiscal charges	-	-	2,480	(2,480)
Capital outlay	<u>42,544</u>	<u>42,544</u>	<u>-</u>	<u>42,544</u>
Total Expenditures	<u>42,544</u>	<u>42,544</u>	<u>22,542</u>	<u>20,002</u>
Net change in fund balance	\$ <u><u>14,857</u></u>	\$ <u><u>14,857</u></u>	34,858	\$ <u><u>20,001</u></u>
Fund balance - July 1, 2022			<u>183,302</u>	
Fund balance - June 30, 2023			\$ <u><u>218,160</u></u>	

CITY OF AUBURN
HOME HOUSING REHABILITATION & FIRST TIME HOMEBUYER - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<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	\$ -	\$ -	\$ 15,206	\$ 15,206
Other revenues	<u>1,500</u>	<u>1,500</u>	<u>2,127</u>	<u>627</u>
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>17,333</u>	<u>15,833</u>
<u>EXPENDITURES</u>				
Current operations:				
Community development	<u>1,500</u>	<u>1,500</u>	<u>4,360</u>	<u>(2,860)</u>
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>4,360</u>	<u>(2,860)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	12,973	\$ <u>12,973</u>
Fund balance - July 1, 2022			<u>275,310</u>	
Fund balance - June 30, 2023			<u>288,283</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, 2023

	<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	\$ -	\$ -	\$ 2,611	\$ 2,611
Other revenues	<u>29,736</u>	<u>29,736</u>	<u>29,584</u>	<u>(152)</u>
Total Revenues	<u>29,736</u>	<u>29,736</u>	<u>32,195</u>	<u>2,459</u>
<u>EXPENDITURES</u>				
Current operations:				
Community development	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Total Expenditures	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Excess (deficiency) of revenues over expenditures	<u>26,236</u>	<u>26,236</u>	<u>32,195</u>	<u>5,959</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(29,736)</u>	<u>(29,736)</u>	<u>(32,346)</u>	<u>(2,610)</u>
Total other financing sources (uses)	<u>(29,736)</u>	<u>(29,736)</u>	<u>(32,346)</u>	<u>(2,610)</u>
Net change in fund balance	<u>\$ (3,500)</u>	<u>\$ (3,500)</u>	(151)	<u>\$ 3,349</u>
Fund balance - July 1, 2022			173,804	
Prior period adjustment			<u>(74,803)</u>	
Fund balance - July 1, 2022, restated			<u>99,001</u>	
Fund balance - June 30, 2023			<u>\$ 98,850</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, 2023

	<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	\$ 260,000	\$ 260,000	\$ 286,727	\$ 26,727
Intergovernmental	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total Revenues	<u>265,000</u>	<u>265,000</u>	<u>286,727</u>	<u>21,727</u>
<u>EXPENDITURES</u>				
Current operations:				
Public safety	<u>292,580</u>	<u>292,580</u>	<u>582,320</u>	<u>(289,740)</u>
Total Expenditures	<u>292,580</u>	<u>292,580</u>	<u>582,320</u>	<u>(289,740)</u>
Net change in fund balance	\$ <u>(27,580)</u>	\$ <u>(27,580)</u>	(295,593)	\$ <u>(268,013)</u>
Fund balance (deficit) - July 1, 2022			<u>(304,282)</u>	
Fund balance (deficit) - June 30, 2023			\$ <u>(599,875)</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, 2023

	<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>175,000</u>	\$ <u>175,000</u>	\$ <u>165,271</u>	\$ <u>(9,729)</u>
Total Revenues	<u>175,000</u>	<u>175,000</u>	<u>165,271</u>	<u>(9,729)</u>
Excess (deficiency) of revenues over expenditures	<u>175,000</u>	<u>175,000</u>	<u>165,271</u>	<u>(9,729)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(156,000)</u>	<u>(156,000)</u>	<u>(165,271)</u>	<u>(9,271)</u>
Total Other Financing Sources (Uses)	<u>(156,000)</u>	<u>(156,000)</u>	<u>(165,271)</u>	<u>(9,271)</u>
Net change in fund balance	\$ <u>19,000</u>	\$ <u>19,000</u>	-	\$ <u>(19,000)</u>
Fund balance - July 1, 2022			<u>-</u>	
Fund balance - June 30, 2023			\$ <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, 2023

	<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>				
Licenses and permits	\$ 65,000	\$ 65,000	\$ 87,775	\$ 22,775
Use of money and property	-	-	2,043	2,043
Intergovernmental	-	-	2,571	2,571
Charges for service	-	-	2,500	2,500
Other revenues	<u>-</u>	<u>-</u>	<u>866</u>	<u>866</u>
Total Revenues	<u>65,000</u>	<u>65,000</u>	<u>95,755</u>	<u>30,755</u>
<u>EXPENDITURES</u>				
Current operations:				
General government	-	-	131	(131)
Public safety	-	-	650	(650)
Capital outlay	<u>146,400</u>	<u>146,400</u>	<u>175,170</u>	<u>(28,770)</u>
Total Expenditures	<u>146,400</u>	<u>146,400</u>	<u>175,951</u>	<u>(29,551)</u>
Net change in fund balance	\$ <u>(81,400)</u>	\$ <u>(81,400)</u>	(80,196)	\$ <u>1,204</u>
Fund balance - July 1, 2022			<u>85,226</u>	
Fund balance - June 30, 2023			\$ <u>5,030</u>	

**FIDUCIARY FUNDS
CUSTODIAL FUNDS**

Custodial Funds

These funds are used to report resources held by the City in a purely custodial capacity. The custodial 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.

Cable TV Access Fees

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

Signature Theatre Sewer District

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

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.

Southwest Specific Plan

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

Placer County Facilities Fee

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

CITY OF AUBURN
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023

	<u>Merchant's Council</u>	<u>Historic Auburn</u>	<u>Cable TV Access Fees</u>	<u>Signature Theatre Sewer District</u>	<u>Fire Safety Council</u>
<u>ASSETS</u>					
Cash and investments	\$ 19,521	\$ 11,076	\$ 13,943	\$ 115	\$ 52
Receivables:					
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Total Assets	<u>19,521</u>	<u>11,076</u>	<u>13,943</u>	<u>115</u>	<u>52</u>
<u>LIABILITIES</u>					
Accounts payable	-	-	-	-	-
Due to City	-	-	-	-	1
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<u>NET POSITION</u>					
Net position restricted for individuals, organizations, and other governments	<u>19,521</u>	<u>11,076</u>	<u>13,943</u>	<u>115</u>	<u>51</u>
Total Net Position	<u>\$ 19,521</u>	<u>\$ 11,076</u>	<u>\$ 13,943</u>	<u>\$ 115</u>	<u>\$ 51</u>

CITY OF AUBURN
COMBINING STATEMENT OF FIDUCIARY NET POSITION (CONTINUED)
CUSTODIAL FUNDS
JUNE 30, 2023

	<u>Recreation Park Development</u>	<u>Southwest Specific Plan</u>	<u>Placer County Facilities Fee</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and investments	\$ 40,053	\$ 13,793	\$ 74,622	\$ 173,175
Receivables:				
Accounts	-	-	-	-
Interest	<u>149</u>	<u>27</u>	<u>-</u>	<u>176</u>
Total Assets	<u>40,202</u>	<u>13,820</u>	<u>74,622</u>	<u>173,351</u>
<u>LIABILITIES</u>				
Accounts payable	-	-	6,976	6,976
Due to City	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>6,976</u>	<u>6,977</u>
<u>NET POSITION</u>				
Net position restricted for individuals, organizations, and other governments	<u>40,202</u>	<u>13,820</u>	<u>67,646</u>	<u>166,374</u>
Total Net Position	<u>\$ 40,202</u>	<u>\$ 13,820</u>	<u>\$ 67,646</u>	<u>\$ 166,374</u>

CITY OF AUBURN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Merchant's Council</u>	<u>Historic Auburn</u>	<u>Cable TV Access Fees</u>	<u>Signature Theatre Sewer District</u>	<u>Fire Safety Council</u>
<u>ADDITIONS</u>					
Program fees	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise fees	-	-	7,779	-	-
Interest income	-	-	-	-	-
Other revenues	<u>35,672</u>	<u>21,536</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Additions	<u>35,672</u>	<u>21,536</u>	<u>7,779</u>	<u>-</u>	<u>-</u>
<u>DEDUCTIONS</u>					
Program expenses	34,094	26,655	6,692	-	2
Agency obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deductions	<u>34,094</u>	<u>26,655</u>	<u>6,692</u>	<u>-</u>	<u>2</u>
Change in fiduciary net position	1,578	(5,119)	1,087	-	(2)
Fiduciary Net Position - Beginning	<u>17,943</u>	<u>16,195</u>	<u>12,856</u>	<u>115</u>	<u>53</u>
Fiduciary Net Position - Ending	<u>\$ 19,521</u>	<u>\$ 11,076</u>	<u>\$ 13,943</u>	<u>\$ 115</u>	<u>\$ 51</u>

CITY OF AUBURN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Recreation Park Development</u>	<u>Southwest Specific Plan</u>	<u>Placer County Facilities Fee</u>	<u>Total</u>
<u>ADDITIONS</u>				
Program fees	\$ 62,900	\$ 6,841	\$ 55,215	\$ 124,956
Franchise fees	-	-	-	7,779
Interest income	984	152	-	1,136
Other revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,208</u>
Total Additions	<u>63,884</u>	<u>6,993</u>	<u>55,215</u>	<u>191,079</u>
<u>DEDUCTIONS</u>				
Program expenses	102	14	34,278	101,837
Agency obligations	<u>98,000</u>	<u>-</u>	<u>-</u>	<u>98,000</u>
Total Deductions	<u>98,102</u>	<u>14</u>	<u>34,278</u>	<u>199,837</u>
Change in fiduciary net position	(34,218)	6,979	20,937	(8,758)
Fiduciary Net Position - Beginning	<u>74,420</u>	<u>6,841</u>	<u>46,709</u>	<u>175,132</u>
Fiduciary Net Position - Ending	<u><u>\$ 40,202</u></u>	<u><u>\$ 13,820</u></u>	<u><u>\$ 67,646</u></u>	<u><u>\$ 166,374</u></u>

STATISTICAL SECTION



STATISTICAL SECTION

This part of the City's annual comprehensive 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	101 - 105
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	106 - 109
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	
Debt Capacity	110 - 113
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	114 - 115
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	116 - 118
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 annual comprehensive financial reports for the relevant year.

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

	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Governmental Activities										
Net investment in capital assets	\$ 20,815,460	\$ 21,053,667	\$ 20,545,598	\$ 20,246,737	\$ 19,643,694	\$ 18,768,182	\$ 22,361,140	\$ 21,391,535	\$ 19,863,561	\$ 18,668,606
Restricted	3,323,613	3,413,170	2,759,672	2,112,036	2,118,181	2,122,955	1,878,673	1,991,090	2,496,766	1,909,754
Unrestricted	773,227	(13,999,420)	(11,811,896)	(9,553,738)	(9,967,752)	(10,027,579)	(12,569,667)	(13,602,695)	(9,253,662)	(12,637,067)
Total governmental activities net position	<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>	<u>\$ 9,779,930</u>	<u>\$ 13,106,665</u>	<u>\$ 7,941,293</u>
Business-Type Activities										
Net investment in capital assets	18,371,032	18,643,735	22,005,703	28,336,829	23,391,752	24,668,220	23,574,055	23,555,268	26,165,294	28,973,254
Restricted	559,263	559,263	559,263	-	-	-	-	-	-	-
Unrestricted	9,395,474	9,518,070	7,116,426	3,688,760	9,432,477	12,856,604	14,995,847	15,865,941	13,977,692	12,274,529
Total business-type activities net position	<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>	<u>\$ 39,421,209</u>	<u>\$ 40,142,986</u>	<u>\$ 41,247,783</u>
Primary Government										
Net investment in capital assets	\$ 39,186,492	\$ 39,697,402	\$ 42,551,301	\$ 48,583,566	\$ 43,035,446	\$ 43,436,402	\$ 45,935,195	\$ 44,946,803	\$ 46,028,855	\$ 47,641,860
Restricted	3,882,876	3,972,433	3,318,935	2,112,036	2,118,181	2,122,955	1,878,673	1,991,090	2,496,766	1,909,754
Unrestricted	10,168,701	(4,481,350)	(4,695,470)	(5,864,978)	(535,275)	2,829,025	2,426,180	2,263,246	4,724,030	(362,538)
Total primary government net position	<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>	<u>\$ 49,201,139</u>	<u>\$ 53,249,651</u>	<u>\$ 49,189,076</u>

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

	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Expenses										
Governmental Activities:										
General government	\$ 1,474,340	\$ 1,889,941	\$ 1,125,600	\$ 2,144,834	\$ 2,994,356	\$ 3,133,227	\$ 4,148,533	\$ 3,628,171	\$ 2,795,203	\$ 4,872,311
Public safety	6,369,373	6,053,257	6,409,094	6,669,186	7,886,666	8,047,318	9,624,437	10,082,467	7,990,254	10,900,592
Transportation	3,145,072	2,137,436	3,569,520	2,584,346	2,932,160	3,366,073	3,184,476	3,398,177	3,563,625	7,179,205
Community development	934,437	1,513,541	891,621	1,551,508	1,622,255	1,810,099	1,784,400	1,512,372	1,564,540	1,869,373
Interest on long-term debt	258,754	243,174	228,595	219,479	206,005	187,538	172,189	507,261	552,259	533,568
Total Governmental Activities Expenses	12,181,976	11,837,349	12,224,430	13,169,353	15,641,442	16,544,255	18,914,035	19,128,448	16,465,881	25,355,049
Business-Type Activities										
Airport	681,504	760,253	856,554	892,856	806,418	974,751	1,068,671	1,064,777	1,071,269	1,198,711
Sewer	5,040,454	4,684,549	4,944,147	4,644,247	5,658,938	5,109,373	5,412,585	5,749,573	5,799,665	6,536,083
Total Business-Type Activities Expenses	5,721,958	5,444,802	5,800,701	5,537,103	6,465,356	6,084,124	6,481,256	6,814,350	6,870,934	7,734,794
Total Primary Government Expenses	\$ 17,903,934	\$ 17,282,151	\$ 18,025,131	\$ 18,706,456	\$ 22,106,798	\$ 22,628,379	\$ 25,395,291	\$ 25,942,798	\$ 23,336,815	\$ 33,089,843
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 523,315	\$ 580,477	\$ 549,138	\$ 1,370,010	\$ 901,002	\$ 689,733	\$ 643,313	\$ 787,618	\$ 579,163	\$ 996,127
Public safety	24,609	21,097	24,680	99,326	157,876	183,471	238,568	538,646	66,247	263,258
Transportation	265,717	353,966	352,938	360,678	380,508	413,383	413,500	352,592	366,717	399,340
Community development	-	891,621	-	29,346	5,132	-	27,244	65,232	5,108	2,000
Operating grants and contributions	2,574,530	3,652,206	2,329,220	2,629,755	2,686,215	2,335,312	4,165,575	2,518,998	2,838,958	3,492,886
Capital grants and contributions	-	19,666	-	46,316	-	-	2,325,491	260,402	92,600	-
Total Governmental Activities Program Revenues	3,388,171	5,519,033	3,255,976	4,535,431	4,130,733	3,621,899	7,813,691	4,523,488	3,948,793	5,153,611
Charges for services:										
Airport	672,754	652,827	680,150	637,958	690,185	677,057	677,914	658,218	596,447	642,950
Sewer	5,218,233	5,653,470	5,881,043	6,527,955	6,668,886	6,714,090	6,590,490	6,885,295	6,763,960	6,867,893
Operating grants and contributions	86,311	84,249	-	-	40,000	324,841	70,385	30,911	108,550	-
Capital grants and contributions	-	-	-	85,522	71,733	2,903,177	-	-	-	940,748
Total Business-Type Activities Program Revenues	5,977,298	6,390,546	6,561,193	7,251,435	7,470,804	10,619,165	7,338,789	7,574,424	7,468,957	8,451,591
Total Primary Government Program Revenues	\$ 9,365,469	\$ 11,909,579	\$ 9,817,169	\$ 11,786,866	\$ 11,601,537	\$ 14,241,064	\$ 15,152,480	\$ 12,097,912	\$ 11,417,750	\$ 13,605,202

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

	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Net (Expense)/Revenue (1)										
Governmental activities	\$ (8,793,805)	\$ (6,318,316)	\$ (8,968,454)	\$ (8,633,922)	\$ (11,510,709)	\$ (12,922,356)	\$ (11,100,344)	\$ (14,604,960)	\$ (12,517,088)	\$ (20,201,438)
Business-type activities	255,340	945,744	760,492	1,714,332	1,005,448	4,535,041	857,533	760,074	598,023	716,797
Total Primary Government Net (Expense)	<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>	<u>\$ (10,242,811)</u>	<u>\$ (13,844,886)</u>	<u>\$ (11,919,065)</u>	<u>\$ (19,484,641)</u>
General Revenues and Other changes in Net Position										
Governmental Activities:										
Taxes:										
Property taxes	\$ 2,627,318	\$ 3,311,186	\$ 3,481,455	\$ 3,668,441	\$ 3,855,830	\$ 4,109,883	\$ 4,319,190	\$ 4,505,707	\$ 4,672,436	\$ 5,097,091
Sales and use taxes	2,957,859	3,291,054	4,227,963	4,988,444	4,811,629	5,965,074	6,064,994	6,471,882	9,175,190	7,853,142
In-lieu taxes	1,470,211	1,291,045	1,464,589	-	-	-	-	-	-	-
Franchise taxes	632,963	663,639	683,065	708,961	756,161	765,744	813,766	894,143	918,933	1,077,280
Transient occupancy taxes	226,298	241,158	239,656	298,716	323,551	386,102	280,917	268,302	379,789	357,300
Other taxes	56,069	64,218	72,330	77,675	86,383	76,032	73,269	143,027	171,716	94,818
Grants and contributions - unrestricted	431,011	5,657	5,576	-	-	-	-	-	-	-
Interest and investment earnings	119,117	58,888	(38,649)	16,920	73,030	93,054	93,338	46,340	173,827	346,573
Miscellaneous	52,653	50,735	78,504	132,530	263,213	326,138	217,633	345,358	145,972	148,815
Transfers	57,454	44,974	28,908	30,000	330,000	30,424	43,825	45,317	102,201	61,047
Loss on sale of capital assets	-	-	-	(23,659)	-	-	-	-	-	-
Total Governmental Activities	<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>	<u>11,906,932</u>	<u>12,720,076</u>	<u>15,740,064</u>	<u>15,036,066</u>
Business-Type Activities										
Property taxes	47,364	30,326	35,083	45,626	51,249	91,565	56,062	69,890	86,010	86,769
Interest and investment earnings	38,063	8,076	36,439	24,146	69,943	91,790	174,414	61,553	139,862	362,278
Miscellaneous	17,640	87	12,348	55,967	2,000	12,623	894	5,107	83	-
Transfers	(57,454)	(44,974)	(28,908)	(30,000)	(330,000)	(30,424)	(43,825)	(45,317)	(102,201)	(61,047)
Total Business-Type Activities	<u>45,613</u>	<u>(6,485)</u>	<u>54,962</u>	<u>95,739</u>	<u>(206,808)</u>	<u>165,554</u>	<u>187,545</u>	<u>91,233</u>	<u>123,754</u>	<u>388,000</u>
Total Primary Government	<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>	<u>\$ 12,094,477</u>	<u>\$ 12,811,309</u>	<u>\$ 15,863,818</u>	<u>\$ 15,424,066</u>
Change in Net Position										
Governmental activities	\$ (162,852)	\$ 2,704,238	\$ 1,274,943	\$ 1,264,106	\$ (1,010,912)	\$ (1,169,905)	\$ 806,588	\$ (1,884,884)	\$ 3,222,976	\$ (5,165,372)
Business-type activities	300,953	939,259	815,454	1,810,071	798,640	4,700,595	1,045,078	851,307	721,777	1,104,797
Total Primary Government	<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>	<u>\$ 1,851,666</u>	<u>\$ (1,033,577)</u>	<u>\$ 3,944,753</u>	<u>\$ (4,060,575)</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 or program.

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

	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
General Fund										
Nonspendable	\$ 68,408	\$ 83,387	\$ 103,084	\$ 81,838	\$ 266,528	\$ 260,955	\$ 260,538	\$ 949,913	\$ 569,075	\$ 618,282
Committed	2,250,000	2,250,000	2,700,000	2,000,000	2,635,012	2,659,656	2,661,186	2,540,076	2,356,503	2,356,953
Unassigned	1,127,255	2,301,958	3,123,198	3,796,166	2,748,800	2,334,355	2,515,763	2,886,476	5,612,555	4,387,182
Total General Fund	<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>	<u>\$ 5,437,487</u>	<u>\$ 6,376,465</u>	<u>\$ 8,538,133</u>	<u>\$ 7,362,417</u>
All Other Governmental Funds										
Nonspendable	\$ 3,359	\$ 2,569	\$ 5,066	\$ -	\$ -	\$ -	\$ 5,636	\$ 5,636	\$ 5,636	\$ -
Restricted	3,320,954	3,410,601	2,754,606	2,112,036	2,118,181	3,111,662	2,341,657	1,991,090	2,496,766	1,909,754
Unassigned	(992,262)	(448,511)	(735,137)	(376,992)	(202,193)	(210,262)	(255,844)	(623,897)	(1,108,467)	(955,070)
Total All Other Governmental Funds	<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>	<u>\$ 2,091,449</u>	<u>\$ 1,372,829</u>	<u>\$ 1,393,935</u>	<u>\$ 954,684</u>

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

	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Revenues										
Taxes	\$ 7,970,718	\$ 8,871,408	\$ 10,169,058	\$ 9,742,237	\$ 9,833,554	\$ 11,302,835	\$ 11,552,136	\$ 12,283,061	\$ 15,318,064	\$ 14,479,631
Licenses and permits	334,890	425,675	363,765	699,752	744,953	510,005	415,981	532,187	430,820	661,402
Fines and forfeitures	50,287	48,391	55,479	68,699	130,891	206,888	228,308	83,650	54,483	101,777
Use of money and protery	404,117	354,682	257,104	339,164	372,647	409,025	428,990	371,999	473,074	659,563
Intergovernmental	3,005,541	3,677,529	2,282,180	2,310,359	2,686,215	2,533,044	6,755,158	2,779,400	1,762,957	4,661,558
Charges for services	143,464	185,680	211,759	687,819	235,331	225,133	314,094	774,002	221,049	566,920
Other revenues	52,653	50,735	78,504	242,380	290,283	347,350	241,439	368,334	435,128	173,110
Total Revenues	11,961,670	13,614,100	13,417,849	14,090,410	14,293,874	15,534,280	19,936,106	17,192,633	18,695,575	21,303,961
Expenditures										
Current:										
General government	1,285,454	1,535,156	1,624,101	1,856,144	2,288,827	2,973,325	3,238,045	19,374,277	3,147,134	4,120,757
Public safety	6,135,398	5,970,331	6,166,988	6,921,049	7,127,305	7,034,311	7,757,942	8,216,396	8,548,145	9,562,011
Transportation	2,142,154	2,065,210	3,092,363	1,953,480	2,148,445	2,079,268	2,014,897	2,568,269	2,438,902	3,647,070
Community development	934,437	625,686	423,018	913,172	1,273,845	1,058,650	1,153,276	1,063,065	936,425	1,216,014
Capital outlay	1,030,225	1,073,781	1,030,281	1,765,191	1,352,992	1,456,612	5,923,844	982,346	1,294,453	3,452,146
Debt service										
Principal	331,993	359,490	363,856	418,470	377,477	320,000	442,822	468,487	501,470	448,409
Interest	269,490	254,807	243,633	219,479	206,005	187,538	172,189	474,520	551,891	533,568
Total Expenditures	12,129,151	11,884,461	12,944,240	14,046,985	14,774,896	15,109,704	20,703,015	33,147,360	17,418,420	22,979,975
Excess of Revenues Over (Under) Expenditures	(167,481)	1,729,639	473,609	43,425	(481,022)	424,576	(766,909)	(15,954,727)	1,277,155	(1,676,014)
Other Financial Sources (Uses)										
Capital lease	-	-	-	211,214	-	-	-	-	-	-
Issuance of debt	-	-	99,876	-	-	-	95,654	16,135,100	699,659	-
Transfers in	198,963	205,896	627,682	1,009,546	530,866	1,201,989	938,429	480,247	877,493	785,699
Transfers out	(141,509)	(160,922)	(598,774)	(979,546)	(200,866)	(1,171,565)	(894,604)	(434,930)	(775,292)	(724,652)
Total Other Financial Sources (Uses)	57,454	44,974	128,784	241,214	330,000	30,424	139,479	16,180,417	801,860	61,047
Net Change in Fund Balances	\$ (110,027)	\$ 1,774,613	\$ 602,393	\$ 284,639	\$ (151,022)	\$ 455,000	\$ (627,430)	\$ 225,690	\$ 2,079,015	\$ (1,614,967)
Debt Service as a Percentage of Noncapital Expenditures	5.42%	5.68%	5.10%	5.19%	4.35%	3.72%	4.16%	2.93%	6.53%	5.03%

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>
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%
2020-21	2,113,501,073	132,581,802	6,003,350	2,252,086,225	0.175%
2021-22	2,201,105,474	139,680,516	6,966,250	2,347,752,240	0.175%
2022-23	2,350,510,100	154,614,771	6,864,250	2,511,989,121	0.175%

*Source: Assessor's Office, County of Placer
Avenu Insights & Analytics*

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)				
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	0.01579	-	0.04537	1.06116	0.17470	-	-	0.17470
2020/21	1.00	0.01497	-	0.04481	1.05978	0.17470	-	-	0.17400
2021/22	1.00	0.01384	-	0.04234	1.05618	0.17470	-	-	0.17400
2022/23	1.00	0.01860	-	0.05534	1.07394	0.17470	-	-	0.17400

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
Avenu Insights & Analytics

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

Taxpayer	Fiscal Year 2022-23	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Auburn Creekside LLC	\$ 19,169,852	0.76%
Save Mart Portfolio Owner Fund V Ca LLC	16,386,895	0.65%
Miltenyi Biotech	14,188,124	0.56%
Reneson Hotels, Inc.	13,385,170	0.53%
UAIC Development Corporation	11,176,421	0.44%
Auburn Industrial, LLC	8,350,000	0.33%
Regal Cinemas, Inc.	7,408,110	0.29%
MP Core Persimmon Terrace, LLC	6,563,480	0.26%
Foothill Terrace Apts., LLC	6,547,746	0.26%
Auburn Town Square LLC	6,264,439	0.25%
Epperle Corners LLC	6,252,600	0.25%
United Auburn Indian Community	6,014,347	0.24%
Auburn Nevada Street Property LLC	5,738,661	0.23%
	<u>\$ 127,445,845</u>	<u>5.07%</u>
Total City of Auburn assessed property valuation Fiscal Year 2022/23		<u>\$ 2,511,989,121</u>

Taxpayer	Fiscal Year 2013-14	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Reneson Hotels, Inc.	\$ 12,714,105	0.81%
Auburn Creekside LLC	12,254,100	0.78%
Regal Cinemas	10,276,457	0.66%
The Abbey Company	9,808,538	0.63%
Miltenyi Biotech	8,798,304	0.56%
UAIC Development Corporation	7,182,662	0.46%
Foothill Terrace Apartments	5,602,899	0.36%
United Natural Foods	4,826,359	0.31%
Nella Oil Company	4,303,765	0.27%
RMP Properties LLC	4,300,000	0.27%
Longs Drug Stores California LLC	4,294,580	0.27%
Best, Carl E Trustee	4,190,004	0.27%
	<u>\$ 88,551,773</u>	<u>5.65%</u>
Total City of Auburn assessed property valuation Fiscal Year 2013/14 (including AUDA)		<u>\$ 1,567,421,398</u>

Source:
Placer County Assessor's Office
Avenu Insights & Analytics

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
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%
2020-21	4,505,707	4,505,707	100.0%	-	4,505,707	100.0%
2021-22	4,922,258	4,922,258	100.0%	-	4,922,258	100.0%
2022-23	5,343,969	5,343,969	100.0%	-	5,353,969	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	Financed Purchases	Total	Loans and Notes Payable	Revenue Bonds	Total				
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
2020-2021	18,215,100	72,043	18,287,143	9,730,195	6,047,066	15,777,261	34,064,404	5.09%	1.51%	2,360
2021-2022	17,775,100	710,233	18,485,333	9,484,993	5,783,608	15,268,601	33,753,934	4.66%	1.44%	2,480
2022-2023	17,410,000	626,924	18,036,924	9,225,722	5,515,170	14,740,892	32,777,816	3.96%	1.30%	2,453

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

Finance 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			
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
2020-2021	18,215,100	18,215,100	0.81%	14,433	1,262
2021-2022	17,775,100	17,775,100	0.76%	13,680	1,299
2022-2023	17,410,000	17,410,000	0.69%	13,365	1,303

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
Finance Department, City of Auburn*

CITY OF AUBURN
Direct and Overlapping Bonded Debt
As of June 30, 2023

City Assessed Valuation		<u>\$ 2,511,989,121</u>	
	Percent Applicable	Outstanding Debt June 30, 2023	Estimated Share of Overlapping Debt
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Sierra Joint Community College District School Facilities Improvement 4	3.017%	\$ 211,025,000	\$ 6,366,624
Placer Union High School District School Facilities Improvement No. 1	38.785%	39,840,000	15,451,944
Placer Union High School District School Facilities Improvement No. 2	0.005%	38,095,000	1,905
Placer Union High School District	14.411%	<u>18,352,419</u>	<u>2,644,767</u>
Total Overlapping Tax and Assessment Debt		<u>\$ 307,312,419</u>	<u>\$ 24,465,240</u>
OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Placer County General Fund Obligations	2.613%	\$ 81,385,000	\$ 2,126,590
Sierra Joint Community college District General Fund Obligations	2.000%	802,000	16,040
Auburn Union School District Certificates of Participation	41.205%	30,222,519	12,453,189
Auburn Area Recreation and Park District General Fund Obligations	32.064%	1,957,000	627,492
Placer Mosquito and Vector Control District COPS	2.613%	<u>1,854,000</u>	<u>48,445</u>
Total Overlapping General Fund and Obligation Debt		<u>116,220,519</u>	<u>15,271,756</u>
OVERLAPPING TAX INCREMENT DEBT:	100.000%	<u>3,370,000</u>	<u>3,370,000</u>
Total Overlapping Debt		<u>426,902,938</u>	<u>43,106,996</u>
DIRECT GENERAL FUND OBLIGATION DEBT:			
City of Auburn Pension Obligations	100.000%	18,430,000	18,430,000
Financed Purchases	100.000%	<u>626,924</u>	<u>626,924</u>
Total Direct Debt		<u>19,056,924</u>	<u>19,056,924</u>
Total Combined Debt		<u>\$ 445,959,862</u>	<u>\$ 62,163,920</u>
RATIOS TO 2022/23 ASSESSED VALUATION:			
Total Overlapping Tax and Assessment Debt	0.980%		
RATIOS TO ADJUSTED ASSESSED VALUATION:			
Combined Direct Debt (\$18,430,000)	0.734%		
Combined Total Debt	2.430%		

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
Finance Department, City of Auburn
California Municipal Statistics*

CITY OF AUBURN
Computation of Legal Bonded Debt Margin
As of June 30, 2023

Secured Property Assessed Value, Net of Exempt Real Property	\$ 2,511,989,121
Bonded debt limit (3.75% of assessed value) (1)	\$ 94,199,592
Less debt subject to limit:	
Total pension obligation bonds at 6/30/2023	(18,430,000)
Total sewer revenue bonds at 6/30/2023	(5,515,170)
Legal debt margin	\$ 70,254,422

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
Finance 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			
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%
2021	14,433	668,857	46,342	2,252,086,225	156,037	10.5%
2022	13,680	724,346	53,229	2,347,752,240	172,527	2.2%
2023	13,365	829,783	62,086	2,511,989,121	187,953	3.1%

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

**CITY OF AUBURN
PRINCIPAL EMPLOYERS
2023**

Employer	Fiscal Year 2022-23		Fiscal Year 2013-14
	No. of Employees	Percent of Total Employment	No. of Employees
Placer County Office of Education	415	6.48%	-
Auburn Union School District	181	2.83%	-
Help At Home Senior Care	150	2.34%	-
Placer County Water Agency*	150	2.34%	194
Placer County (Domes Offices)	140	2.19%	59
Pride Industries	113	1.77%	175
Placer Union School District	112	1.75%	-
Save Mart	110	1.72%	90
City of Auburn	95	1.48%	79
Auburn Journal	80	1.25%	92
Flyers Energy	-	-	84
AT&T	-	-	94
United States Post Office	-	-	68
Auburn Placer Disposal - Recology*	-	-	81

Note:

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

Source: MuniServices, LLC

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

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</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	2.0	3.0
Airport	-	-	-	-	-	-	-	-	-	1.5
Economic Development	-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.5
City Clerk's Office	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance / Administrative Services	4.0	4.0	4.0	4.0	4.0	4.0	4.5	4.5	5.0	3.0
Human Resources	-	-	-	-	-	-	-	-	-	2.0
Community Development	4.0	3.0	3.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
Police Department	28.0	26.0	26.0	26.5	27.0	28.0	30.0	30.0	32.0	35.0
Fire Department	16.0	14.0	14.0	13.5	15.0	15.0	22.0	22.0	22.0	24.0
Public Works	18.0	17.0	17.0	18.0	17.0	17.0	17.0	17.0	17.0	23.0
Total Full-Time Equivalent Employees:	<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>	<u>84.5</u>	<u>88.0</u>	<u>102.0</u>

Source: Finance Department, City of Auburn

CITY OF AUBURN
Operating Indicators
Last Ten Fiscal Years

	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
AUBURN AIRPORT:										
Tie-downs per year	884	884	884	1,007	1,029	928	928	928	928	928
Hangar rentals per year	62	108	108	109	109	109	109	109	109	109
Gallons of fuel sold per year	169,754	204,299	201,945	206,940	248,927	209,344	215,578	223,814	259,360	216,887
ENVIRONMENT AND UTILITIES:										
Gallons of wastewater treated per year (in millions)	423	363	374	494	396	439	357	492	447	470
FIRE:										
Fires per year	136	95	75	120	96	66	69	96	94	82
Emergency medical calls per year	1,224	1,262	1,175	1,406	1,407	1,388	1,342	1,399	1,342	1,424
Hazardous materials incidents per year	29	36	38	59	52	49	32	51	51	54
Non-emergency service calls per year	432	411	481	532	554	541	467	543	752	786
POLICE:										
911 calls per year	5,194	4,964	4,780	4,835	4,733	4,953	4,319	5,200	6,522	3,757
Arrests per year	687	775	535	944	686	578	498	294	344	440 (1)
BUILDING PERMITS:										
Building permits issues per year	528	607	679	665	777	807	727	718	820	772
New building and alteration valuation	\$ 12,993,989	\$ 18,597,176	\$ 16,251,607	\$ 41,939,654	\$ 34,367,446	\$ 23,489,518	\$ 19,262,363	\$ 22,961,456	\$ 21,813,101	\$ 42,727,733

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

CITY OF AUBURN
Capital Asset Statistics
Last Ten Fiscal Years

	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
AUBURN AIRPORT:										
Terminals (Airport Management Building)	1	1	1	1	1	1	1	1	1	1
Runways	1	1	1	1	1	1	1	1	1	1
Airport hangars	81	108	108	108	108	108	108	108	108	108
ENVIRONMENT AND UTILITIES:										
Miles of municipal sewer mains	50	50	50	50	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	2,000,000
FIRE:										
Full-time staffed stations	1	1	1	1	1	1	2	2	2	2
Volunteer stations	2	2	2	2	2	2	-	-	-	-
POLICE:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles and motorcycles	29	29	29	29	29	29	29	29	29	34
COMMUNITY DEVELOPMENT:										
Miles of municipal roadways	62	62	62	62	62	62	62	62	62	72
Pocket park sites	11	11	11	11	11	11	11	11	11	11

Source: City of Auburn