



CITY OF AUBURN CALIFORNIA

2013



Comprehensive Annual Financial Report

Fiscal Year Ended
June 30, 2013

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**City of Auburn,
California**

**Comprehensive Annual
Financial Report**

**For the Year Ended
June 30, 2013**

**Prepared By:
Administrative Services Department
Kimberly Juran, Director**

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CITY OF AUBURN
Comprehensive Annual Financial Report
For the Year Ended June 30, 2013

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INTRODUCTORY SECTION

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

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City of Auburn

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

January 22, 2014

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

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF AUBURN

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Auburn for the fiscal year July 1, 2012 through June 30, 2013. Although addressed to the City's governing body and its citizens, the CAFR is intended also to provide relevant financial information to creditors, investors, and other interested parties. This transmittal letter provides a summary of City of Auburn finances, services, achievements, and economic prospects for readers without a technical background. Those wishing a more detailed discussion of the City's financial results should refer to Management's Discussion and Analysis (MD&A) contained in the Financial Section of the CAFR.

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

The City has contracted with Smith & Newell CPAs, a firm of Certified Public Accountants licensed to practice in the State of California, to perform the annual independent audit. The auditors expressed an opinion that the City's financial statements for fiscal year 2012-13 are fairly stated and in compliance with accounting principles generally accepted in the United States. This conclusion is the most favorable kind and is commonly known as an "unqualified" or "clean" opinion. The independent auditor's report is included in the Financial Section of this report.

Transmittal Letter

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

The City of Auburn covers approximately 7.5 square miles on the western slope of the Sierra Nevada Range and has a population of 13,468. 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, the Western States 100 mile endurance run and, in May 2011, served as the Stage 2 starting city for the Amgen Tour of California bicycle race.

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

ECONOMIC CONDITION AND OUTLOOK

Fiscal year 2012-13 ended with promising, though modest signs of improvement in City revenue growth. After enduring five consecutive years of operating shortfalls in the City's General Fund during the recent economic downturn, the City realized a small surplus during Fiscal Year 2012-13 as a result of prudent operational and fiscal decision making. Looking forward, the 2013-14 General Fund budget balances revenues and expenditures and adds an estimated \$197,000 back to the City's reserves. Although the future economic climate continues to remain relatively uncertain, the City is well positioned to continue to improve its financial position in the coming years.

Transmittal Letter

The economic outlook for Auburn remains heavily affected by the financial stability at the State level of government. During the most recent economic downturn, the City had to deal with State actions that adversely affected the City's finances, including the elimination of redevelopment agencies statewide and the re-direction of the Motor Vehicle License Fee (VLF). As the State budget shows positive signs of recovery and increased tax revenues, the City's own budget outlook improves as well.

The City's 2013-14 budget assumes continued improvement in the City's sales tax revenues as well as an anticipated rise in property tax values. Assessed property values, which directly impact the amount of property tax collected, are expected to increase by 2% when compared to Fiscal Year 2012-13 values. Sales tax is expected to be 3% higher than those collected in the previous year, primarily due to sustained increases in petroleum prices and retail sales. Continuing improvement in City building permit revenues provides an additional indication of the improvement in the local economy.

As in the past, the City will work diligently to assure the superior delivery of existing programs and levels of service, 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, 2013 include the following:

- ❖ The successful completion of Phase II of the Streetscape Project, initiated by the former Auburn Urban Development Authority, which installed lighting, landscaping, irrigation, and new sidewalk in the City's highly visible downtown area.
- ❖ The City completed remediation and partial demolition of the Old City Hall Building to prepare it for a new public pocket park in the downtown.
- ❖ The City completed a LED lighting conversion project in the tie down area of the Auburn Municipal Airport, which also included enhanced signage and pavement markings to improve safety and conformance with federal safety standards.
- ❖ The City converted its existing phone system to a Voice Over Internet Protocol (VOIP) phone system
- ❖ Finalized design and initiated advertising for the Palm Avenue project, which will add sidewalks, bicycle lane, and medians to a high traffic intersection funded by Safe Routes to Schools Grant Program.
- ❖ The City of Auburn Police Department formed a committee of selected police and fire agencies to identify the requirements for a new regional Computer-Aided Dispatch and

Transmittal Letter

Records Management System (CAD-RMS) - the goals of which are to increase safety, decrease police and fire response times, reduce labor costs, streamline reporting and improve communications.

LONG-TERM FINANCIAL PLANNING AND INTIATIVES

Public Works:

Capital Improvement Plan: The budget adopted for Fiscal Year 2013-14 includes more than \$1.7 million appropriated for capital projects in the City's Airport, Sewer and Transportation and General funds. An update of the City's long-term Capital Improvement Plan is expected to be completed during Fiscal Year 2013-14.

Community Development:

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

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

Public Safety:

Fire Department FEMA Staffing for Adequate Fire and Emergency Response "SAFER" Grant: The City of Auburn Fire Department will continue to employ an additional five full-time firefighters through the remainder of the two year FEMA SAFER grant period, valued at over \$600,000 for the duration of the grant.

Police Department – CAD-EMS Upgrade: The City of Auburn Police Department will continue moving forward with the implementation of a regional CAD-EMS System.

General Government:

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

Transmittal Letter

FINANCIAL INFORMATION

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

Budgetary Controls

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

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

AWARD AND ACKNOWLEDGEMENTS

The Government Finance Officer's Association of the United States and Canada (GFOA) awarded a Certificate for Excellence in Financial Reporting to the City of Auburn for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This award, the seventh consecutive such award for the City, recognizes the City's conformance with the highest standards for preparation of state and local government financial reports.

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

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

Transmittal Letter

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

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

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

Respectfully submitted,



Robert Richardson
City Manager



Kim Juran
Director of Administrative Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Auburn
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

CITY OF AUBURN
City Officials
For the Year Ended June 30, 2013

<u>Name</u>	<u>Office</u>
Kevin Hanley	Mayor
Bridget Powers	Vice Mayor
Dr. Bill Kirby	Council Member
Keith Nesbitt	Council Member
Mike Holmes	Council Member



City of Auburn

Comprehensive Annual Financial Report

2013

Project Team

Robert Richardson, City Manager

Kimberly Juran, Administrative Services Director

Administrative Staff

Mary Freitas, Senior Accounting Technician

Shari Conley, Administrative Technical Analyst

Special Assistance

Mark D'Ambrogi, Chief of Fire

John Ruffcorn, Chief of Police

Lisa Hoffrogge, Building Official

Bernie Schroeder, Public Works Director

Megan Siren, Public Works Department

George Williams, City Treasurer



RESIDENTS OF AUBURN

CITY TREASURER
George Williams

CITY CLERK
Joe Labrie

**BOARDS &
COMMISSIONS**
Planning Commissions
Economic Development
Commission
Historic Design Review
Commission
Arts Commission
Telecommunications
Commission

MAYOR & CITY COUNCIL
Kevin Hanley, Mayor

Bridget Powers, Mayor
Pro-Tem

Keith Nesbitt

Mike Holmes

Dr. Bill Kirby

**SUCCESSOR
AGENCY TO
AUBURN URBAN
DEVELOPMENT
AUTHORITY**

**CITY
ATTORNEY**
Michael
Colantuono

CITY MANAGER
Robert Richardson

**GENERAL
GOVERNMENT**
Administrative
Services Director
Kimberly Juran

**PUBLIC
SAFETY**
Police Chief
John
Ruffcorn

Fire Chief
Mark
D'Ambrogi

**CAPITAL
MAINTENANCE**
Public Works
Director
Bernie Schroeder

**COMMUNITY
SERVICES**
Community
Development
Director
Will Wong

X

FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Auburn, California (City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1Q to the financial statements, in 2013, the City implemented Governmental Accounting Standards Board (GASB) Statements No. 60, 61, 62, 63, and 66 and implemented GASB 65 in advance during the fiscal year 2013. Among these new GASB Statements, GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, have significant impact over the City of Auburn's financial statements. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 22, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.


Smith & Newell CPAs
Yuba City, California
January 22, 2014

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

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CITY OF AUBURN

Management Discussion and Analysis June 30, 2013

Management's Discussion and Analysis

This section of the City of Auburn's (City) Comprehensive Annual Financial Report presents a discussion of the City's financial performance during the year ended June 30, 2013. Please read it in conjunction with the City's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities at the close of the 2012-13 fiscal year by \$53,099,968 (*net position*). Of this amount, \$10,050,734 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, and \$3,855,458 is restricted for capital projects, debt service and legally segregated taxes, grants and fees.
- As of June 30, 2013, the City governmental funds reported combined fund balances of \$5,887,741. Approximately 42.9% of the combined fund balances, \$2,528,530 is available to meet the City's current and future needs (*committed and unassigned fund balance*).
- The City's investment in capital assets, net of related debt, increased by \$531,543 compared to the prior year. The increase occurred primarily as a result of capitalizing expenditures/expenses and construction in progress for projects including the Auburn Oaks Lift Station, Airport Improvement projects, Old City Hall Renovation, APD CAD upgrade, and the Palm Avenue Sidewalk.
- The City completed the first of two years of the Staffing for Adequate Fire and Emergency Response (SAFER) Grant as it relates to the Auburn Fire Department – receiving approximately \$228,000 to offset costs related to the augmentation of five new temporary firefighter positions.
- The City expended capital outlay of approximately \$154,000 towards a new dump truck for the Public Works Department and \$480,000 towards a new fire truck for the Auburn Fire Department.
- An annual surplus of \$264,659 was realized in the City's General Fund during the fiscal year. Total General Fund Balance as of June 30, 2013 was \$2,992,347.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

CITY OF AUBURN

Management Discussion and Analysis

June 30, 2013

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

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

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

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

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

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

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

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

CITY OF AUBURN

Management Discussion and Analysis June 30, 2013

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

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

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

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

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 31-61 of this report.

Required Supplementary Information is presented for the City’s General Fund consisting of budgetary comparison schedules. The City adopts an annual appropriated budget to demonstrate compliance with this budget.

The required supplementary information can be found on pages 62-66 of this report.

The combining and individual fund statements and schedules for non-major governmental funds and proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 67-93 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

CITY OF AUBURN

Management Discussion and Analysis June 30, 2013

Table 1
Net Position
June 30,

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current and other assets	\$ 12,149,845	\$ 11,193,470	\$ 10,224,683	\$ 10,066,870	\$ 22,374,528	\$ 21,260,340
Capital assets	21,577,156	21,585,233	28,134,698	27,885,757	49,711,854	49,470,990
Total assets	33,727,001	32,778,703	38,359,381	37,952,627	72,086,382	70,731,330
Liabilities:						
Current and other liabilities	1,852,261	1,473,062	341,774	266,532	2,194,035	1,739,594
Long-term liabilities	6,799,588	6,438,046	9,992,791	10,839,224	16,792,379	17,277,270
Total liabilities	8,651,849	7,911,108	10,334,565	11,105,756	18,986,414	19,016,864
Net Position:						
Invested in capital, net of related debt	20,966,807	21,555,502	18,226,969	17,106,731	39,193,776	38,662,233
Restricted	3,296,195	3,000,169	559,263	559,263	3,855,458	3,559,432
Unrestricted	812,150	311,924	9,238,584	9,180,877	10,050,734	9,492,801
Total net position	\$ 25,075,152	\$ 24,867,595	\$ 28,024,816	\$ 26,846,871	\$ 53,099,968	\$ 51,714,466

Governmental Activities

The City's governmental net position amounted to \$25.07 million as of June 30, 2013, an increase of approximately \$207,557 over the fiscal year ended June 30, 2012. This increase is the change in net position reflected in the Governmental Activities column of the Changes in Net Position, including Prior Period Adjustments, shown in Table 2. The City's net position from governmental activities as of June 30, 2013, comprised the following:

- Cash and investments comprised \$5.74 million in the City treasury, \$794,722 of which is restricted in use. Substantially all of these amounts were held in short to medium term investments in governmental securities and corporate notes, as detailed in Note 3 to the financial statements.
- Current accounts, taxes and intergovernmental receivables comprised \$1,220,600.
- Loans receivable comprised approximately \$591,509, all of which represents loans provided by the City's Community Development Block Grant (CDBG) Revolving Loan Program.
- A net pension asset comprised \$4.64 million.
- Capital assets of \$21.59 million, net of depreciation charges, which includes City infrastructure, buildings and improvements, equipment, land improvements and related construction in progress.
- Current liabilities, including accounts and interest payable, deposits and unearned revenues, comprised \$1.85 million.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2013

- Long-term liabilities comprised \$6.80 million.
- Net position invested in capital assets net of related debt of \$20.97 million, representing the City's investment in infrastructure and other capital assets used in Governmental activities, net of amounts borrowed to finance that investment.
- Restricted net position totaling \$3.29 million, which may be used only to construct specified capital projects, debt service, or for community development and transportation projects and public safety programs.
- Unrestricted net position is part of net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The City had \$812,150 of unrestricted net position as of June 30, 2013.

Business-Type Activities

The City's business-type net position amounted to \$28.02 million as of June 30, 2013, increasing by approximately \$1.18 million since the fiscal year ended June 30, 2012. The increase in the change in net position experienced in the business-type funds occurred primarily as a result of making debt service payments for both the Airport and Sewer operations offset by increases in capitalized assets related to Sewer Fund capital outlay towards a new crane truck and televising van, Sewer Fund capital projects related to the Auburn Oaks lift station and Electric Street sewer replacement; and the Airport Lighting and Signage project. The City's net position from Business-type activities as of June 30, 2013, comprised the following:

- Cash and investments comprised \$9.99 million in the City Treasury, \$1.61 million of which is restricted in use.
- Current accounts, taxes and intergovernmental receivables comprised \$235,867.
- Capital assets of \$28.1 million, net of depreciation charges.
- Current liabilities, including accounts and interest payable, and deposits, comprised \$341,774.
- Long-term liabilities comprised \$9.99 million.
- Net position invested in capital assets net of related debt of \$18.23 million, representing the City's investment in infrastructure and other capital assets used in Business-type activities, net of amounts borrowed to finance that investment.
- Restricted net position totals \$559,263 and is related to a debt service reserve established for the Sewer Revenue bonds.
- Unrestricted net position of \$9.24 million.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2013

The following table indicates the changes in net position:

Table 2
Changes in Net Position
For the Year Ended June 30,

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Program Revenues:						
Charges for services	\$ 1,119,432	\$ 822,079	\$ 6,018,960	\$ 5,511,143	\$ 7,138,392	\$ 6,333,222
Operating grants and contributions	2,565,297	1,115,106	77,692	1,553	2,642,989	1,116,659
Capital grants and contributions	2,468	492,234	-	-	2,468	492,234
Total program revenues	3,687,197	2,429,419	6,096,652	5,512,696	9,783,849	7,942,115
General Revenues:						
Property taxes	3,097,824	3,177,351	38,568	26,177	3,136,392	3,203,528
Sales and use taxes	2,787,736	2,316,047	-	-	2,787,736	2,316,047
Other taxes	1,492,983	1,259,998	-	-	1,492,983	1,259,998
Franchise taxes	630,244	622,265	-	-	630,244	622,265
Grants and contributions - unrestricted	6,960	6,717	-	-	6,960	6,717
Unrestricted interest and investment earnings	7,934	59,814	3,910	79,770	11,844	139,584
Miscellaneous	326,904	45,704	40,000	21,460	366,904	67,164
Transfers	45,801	10,452	(45,801)	(10,452)	-	-
Extraordinary Gain	-	2,470,706	-	-	-	2,470,706
Total general revenues	8,396,386	9,969,054	36,677	116,955	8,433,063	10,086,009
Total revenues	12,083,583	12,398,473	6,133,329	5,629,651	18,216,912	18,028,124
Program Expenses:						
General government	1,890,167	1,678,027	-	-	1,890,167	1,678,027
Public safety	5,421,554	5,139,270	-	-	5,421,554	5,139,270
Transportation	3,508,302	2,766,145	-	-	3,508,302	2,766,145
Community development	693,696	670,701	-	-	693,696	670,701
Interest on long-term debt	266,979	360,834	-	-	266,979	360,834
Airport	-	-	666,373	647,973	666,373	647,973
Sewer	-	-	4,108,614	4,128,331	4,108,614	4,128,331
Total expenses	11,780,698	10,614,977	4,774,987	4,776,304	16,555,685	15,391,281
Change in net position	302,885	1,783,496	1,358,342	853,347	1,661,227	2,636,843
Net Position - Beginning	24,867,595	22,812,539	26,846,871	25,993,524	51,714,466	48,806,063
Prior Period Adjustment	(95,328)	271,560	(180,397)	-	(275,725)	271,560
Net Position - Beginning, Restated	24,772,267	23,084,099	26,666,474	25,993,524	51,438,741	49,077,623
Net Position - Ending	\$ 25,075,152	\$ 24,867,595	\$ 28,024,816	\$ 26,846,871	\$ 53,099,968	\$ 51,714,466

CITY OF AUBURN

Management Discussion and Analysis June 30, 2013

Governmental Activities

Governmental activities net position increased by \$207,557 during Fiscal Year 2012-13. The increase in net position can be primarily attributed to sales tax growth experienced during the fiscal year, offset by operating program expenditures.

As Table 2 above shows, \$3.69 million, or 30.5% of the City's fiscal year 2012-13 revenue derived from the program revenues, while \$8.39 million, or 69.5%, derived from general revenues such as taxes, rents and interest.

Program revenues are composed of fees and charges for service of \$1,119,432 that include permit revenues, fees and charges used to fund expenses incurred in providing services; and \$2.56 million of operating grants and contributions which include gas tax, transportation development allocations, transportation grants, and public safety allocations and grants. Program revenues also include \$2,468 in capital grants and contributions which include grants received by the City for capital infrastructure improvement.

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

Business-type Activities

Business-type activities net position combined to increase by \$1.18 million during Fiscal Year 2012-13. The majority of the increase in net position can be attributed to increased collections of operating revenues and repayment of debt in both the Airport and Sewer Enterprise Funds.

Net position in the City's Airport Fund increased approximately \$111,560 during Fiscal Year 2012-13. The increase is primarily attributable to increased collections of Auburn Airport lease revenues offset by increased costs incurred for staff, materials and capital maintenance at the Airport.

Net position in the City's Sewer Fund increased by approximately \$1,066,385 during Fiscal Year 2012-13. The increase can be attributed to \$1.72 million net operating income which includes the effects of increased collections of sewer use charges, offset by interest charges incurred for the repayment of Sewer infrastructure debt.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

CITY OF AUBURN

Management Discussion and Analysis June 30, 2013

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

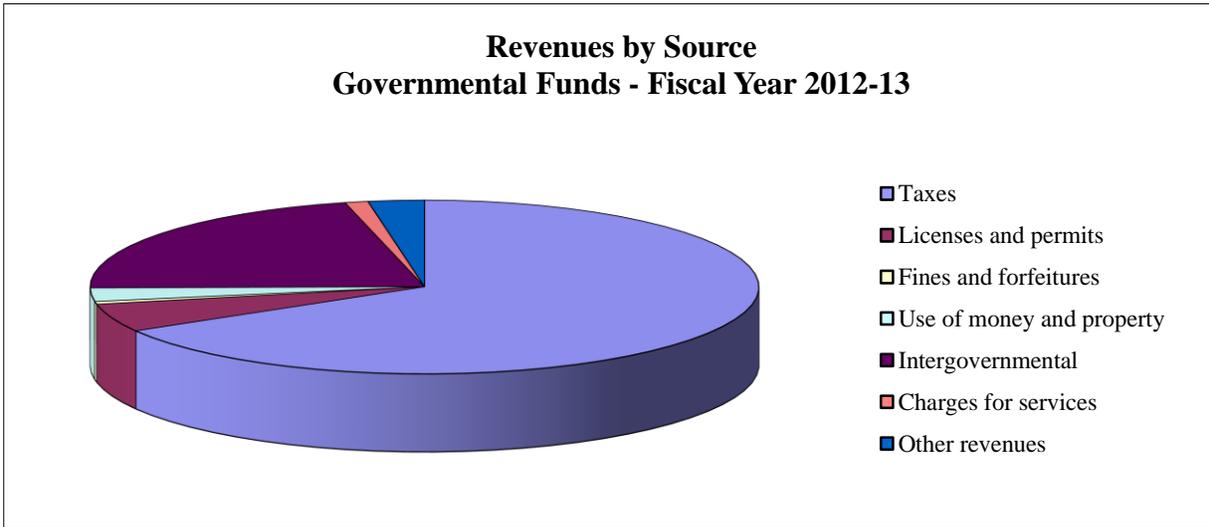
Table 3
Revenues Classified by Source
Governmental Funds
For the Fiscal Years Ended June 30,

	2013	2012	Variance	% Change
Revenues by Source:				
Taxes	\$ 8,008,787	\$ 7,510,603	\$ 498,184	6.63%
Licenses and permits	631,012	301,267	329,745	109.45%
Fines and forfeitures	62,369	74,950	(12,581)	-16.79%
Use of money and property	299,653	360,115	(60,462)	-16.79%
Intergovernmental	2,574,725	1,463,061	1,111,664	75.98%
Charges for services	134,332	145,561	(11,229)	-7.71%
Other revenues	326,904	45,704	281,200	615.26%
Total Revenues	\$ 12,037,782	\$ 9,901,261	\$ 2,136,521	21.58%

- (1) Collections of taxes increased by \$498,184, primarily as a result of an increase in sales tax collections as the overall economy recovers from the “Great Recession”.
- (2) Collections of licenses and permits increased by \$329,745 due primarily to an increase in building permit and development-related revenues.
- (3) Collections of fines, forfeitures and penalties decreased by \$12,581 due to lower collections of traffic and civil fines.
- (4) Collections of revenues related to the use of money and property decreased by \$60,462 due to lower rates of return on the City’s pool of investments coupled with lower cash balances in City funds.
- (5) Collections of intergovernmental revenues increased by \$1,111,664 due to increased grant revenues related to the SAFER fire staffing grant, HOME First-time Homebuyer / Housing Rehabilitation grant, and transportation-related grants.
- (6) Collections of charges for services decreased by \$11,229 due to lower collections of weed abatement fees.
- (7) Collections of other revenues increased by \$281,200 primarily due to a multi-year refund of overpaid property tax administration fees.

CITY OF AUBURN

Management Discussion and Analysis
June 30, 2013



The following table presents expenditures by function:

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

Expenditures by Function	2013	2012	Variance	% Change
General government	\$ 1,755,477	\$ 1,510,220	\$ 245,257	16.24%
Public safety	5,513,843	5,267,512	246,331	4.68%
Transportation	2,427,123	1,716,030	711,093	41.44%
Community development	690,856	667,861	22,995	3.44%
Capital outlay	1,301,682	1,032,454	269,228	26.08%
Debt service - Principal retirement	207,403	140,383	67,020	47.74%
Debt service - Interest and charges	268,691	382,928	(114,237)	-29.83%
Total Expenditures	\$ 12,165,075	\$ 10,717,388	\$ 1,447,687	13.51%

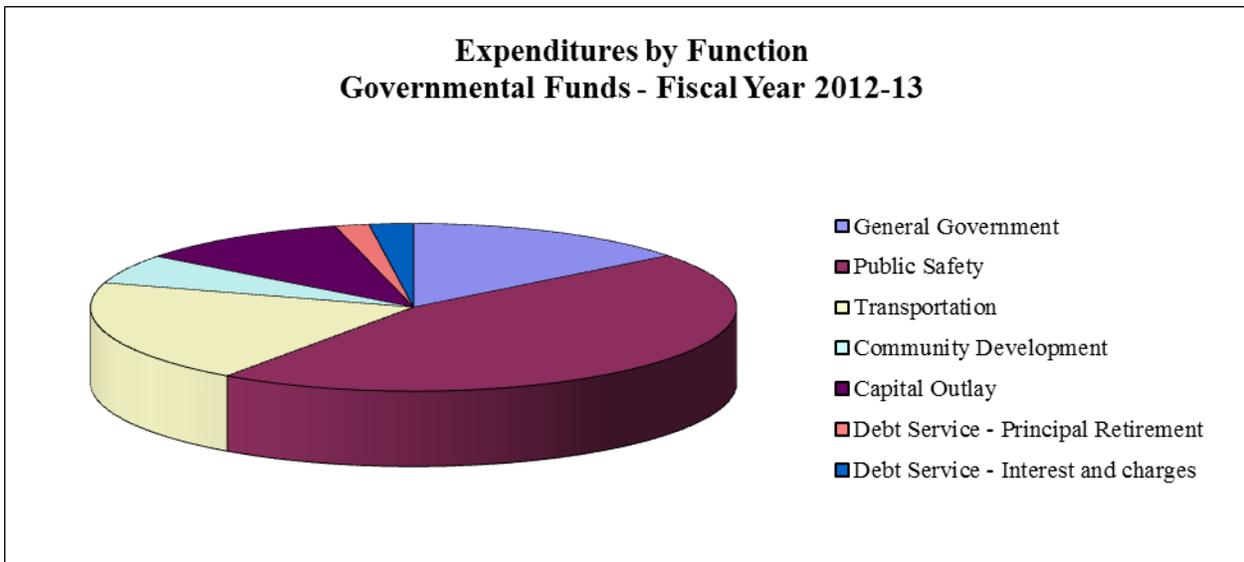
The \$1.44 million net increase in governmental fund expenditures during the 2012-13 fiscal year can be primarily attributed to the following:

- A \$711,000 increase in transportation expenditures due to road projects including the Dairy Road Overlay, Palm Avenue Sidewalk, and an allocation towards the Fiscal Year 2012-13 Comprehensive Overlay Project.
- A \$269,228 increase in capital outlay expenditures due to the purchase of new fire truck for the Auburn Fire Department and a dump truck for the Public Works Department.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2013

- A \$491,588 increase in general government and public safety costs, combined, due to costs incurred for public safety personnel, including the additional staffing related to the Fire Department SAFER staffing grant; and equipment.
- A \$22,995 increase in Community Development expenditures resulting from costs related to an update of the City's General Plan.
- A \$47,217 decrease in principal and interest paid for debt service due to the transfer of the Auburn Urban Development Authority tax increment financing debt as a result of the State's dissolution of all redevelopment agencies.



The **General Fund** is the main operating fund of the City, and accounts for general operations including public safety, community development, and administration. At June 30, 2013, committed and unassigned fund balance of the General Fund was \$2.92 million, while fund balance totaled \$2.99 million. Total fund balance increased by approximately \$264,659 when compared to last year, primarily as a result of increased sales tax collections.

As measures of the General Fund's ability to meet operating expenditures, it is useful to note that committed and unassigned fund balance represents 28.8% of total General Fund expenditures, while total fund balance represents 29.3% of the same amount.

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.

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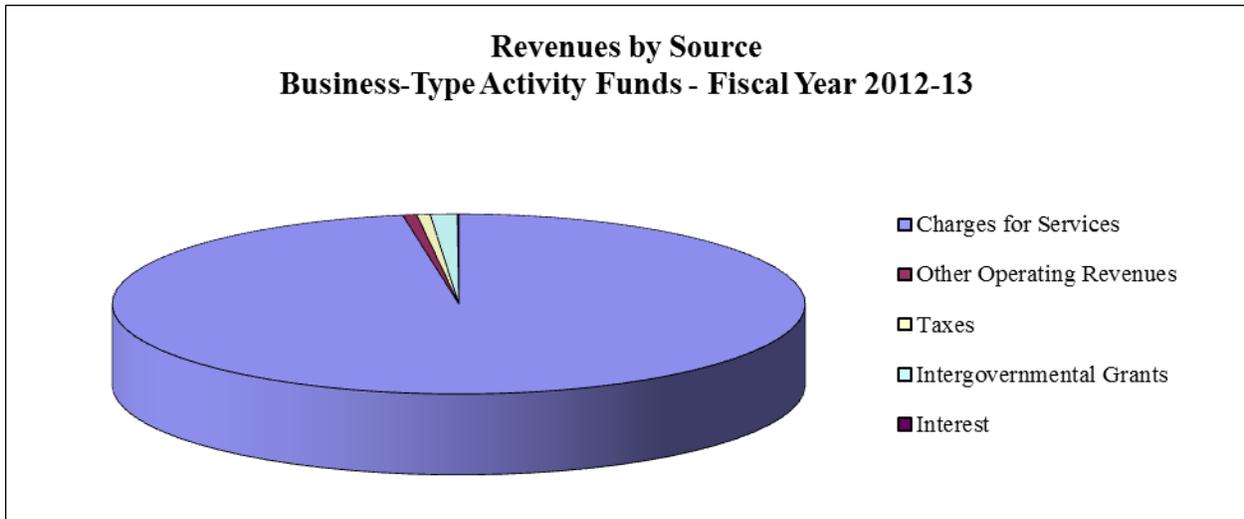
Management Discussion and Analysis
June 30, 2013

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

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

	<u>2013</u>	<u>2012</u>	<u>Variance</u>	<u>% Change</u>
Revenues by Source:				
Operating revenues				
Charges for services	\$ 6,018,960	\$ 4,945,938	\$ 1,073,022	21.70%
Other operating revenues	40,000	586,665	(546,665)	-93.18%
Non-operating revenues				
Taxes	38,568	26,177	12,391	47.34%
Intergovernmental	77,692	1,553	76,139	4902.70%
Interest	3,910	79,770	(75,860)	-95.10%
Other revenues	-	-	-	N/A
Total Revenues	<u>\$ 6,179,130</u>	<u>\$ 5,640,103</u>	<u>\$ 539,027</u>	<u>9.56%</u>

Business-type activities total revenues have increased approximately \$539,027 from fiscal year 2011-12 to fiscal year 2012-13. Total revenues are higher primarily due to increased collections of sewer use fees pursuant to a rate increase implemented at the beginning of fiscal year 2012-13.



CITY OF AUBURN

Management Discussion and Analysis
June 30, 2013

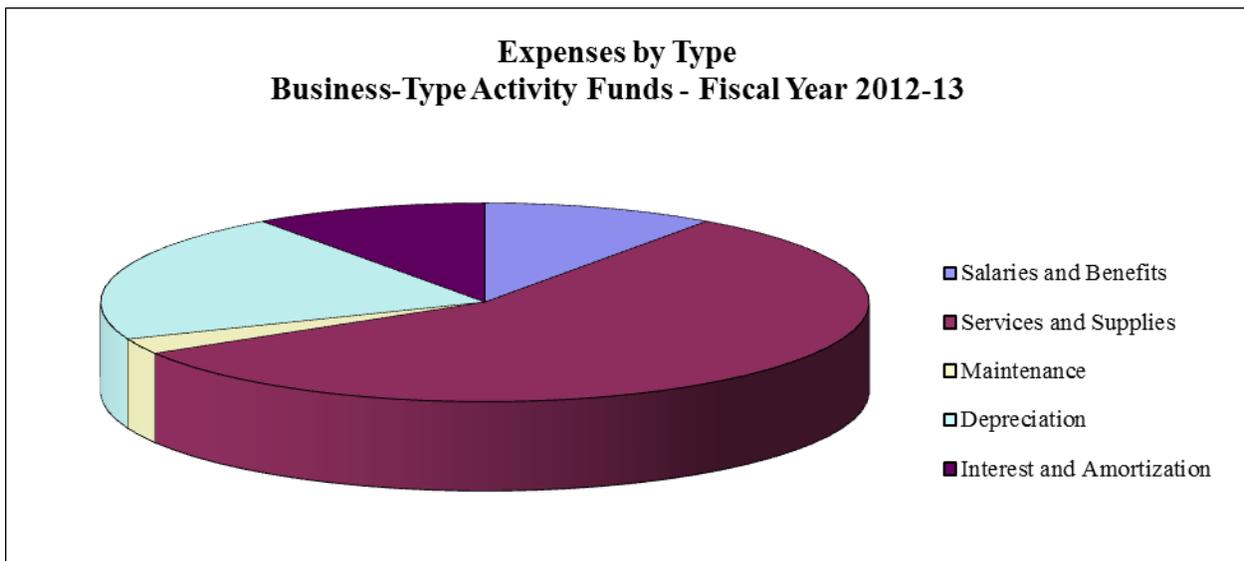
The following table presents expenses for the City’s Enterprise funds:

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

	<u>2013</u>	<u>2012</u>	<u>Variance</u>	<u>% Change</u>
Expenses by Type:				
Operating expenses				
Salaries and benefits	\$ 468,803	\$ 391,840	\$ 76,963	19.64%
Services and supplies	2,700,689	2,952,042	(251,353)	-8.51%
Maintenance	121,850	110,876	10,974	9.90%
Depreciation	1,013,020	835,141	177,879	21.30%
Non-operating expenses				
Interest and amortization	470,625	486,405	(15,780)	-3.24%
Total Expenses	<u>\$ 4,774,987</u>	<u>\$ 4,776,304</u>	<u>\$ (1,317)</u>	<u>-0.03%</u>

The \$1,317 net decrease in business-type activity fund expenses during the 2012-13 fiscal year can be primarily attributed to the following:

- A \$76,963 increase in salaries and benefits costs due to increased staffing costs for the Sewer and Airport enterprise operations;
- A \$251,353 reduction in services and supplies costs due to operational savings incurred in the Sewer enterprise operation; and
- A \$177,879 increase in depreciation charges related to Sewer and Airport enterprise operations.



CITY OF AUBURN

Management Discussion and Analysis June 30, 2013

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

**Table 7
Capital Assets at End of Fiscal Year**

	Governmental Activities		Business-Type Activities	
	2013	2012	2013	2012
Land	\$ -	\$ -	\$ 2,874,395	\$ 2,874,395
Infrastructure	6,314,227	6,290,872	22,252,232	22,240,076
Buildings and improvements	5,230,205	5,230,205	-	-
Equipment	7,319,891	6,399,741	2,020,143	1,635,752
Land improvements	13,141,046	13,141,046	-	-
Construction in progress	569,164	210,987	11,251,584	10,386,170
Accumulated depreciation	(10,997,377)	(9,687,618)	(10,263,656)	(9,250,636)
Total	\$ 21,577,156	\$ 21,585,233	\$ 28,134,698	\$ 27,885,757

The City's investment in capital assets for its governmental activities as of June 30, 2013 totaled approximately \$21.57 million (net of accumulated depreciation). The City's investment in capital assets for its business-type activities as of June 30, 2013 totaled approximately \$28.13 million (net of accumulated depreciation). The investment in capital assets includes land, infrastructure, buildings and improvements, equipment and construction in progress.

Major capital asset events during the fiscal year ended June 30, 2013 include:

- Airport Lighting and Signage Project
- Purchases of a crane truck and televising van for the Sewer Program
- Upgrades towards the Auburn Oaks Lift Station
- Improvements towards the Palm Avenue Sidewalk
- Renovation of the Old City Hall building
- Upgrades towards the Auburn Police Department CAD System
- Purchase of a new fire truck for the Auburn Fire Department

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

Debt Administration

The following schedule shows the changes in long-term debt for the fiscal year ended June 30, 2013.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2013

Table 8
Long-Term Debt

	Governmental Activities		Business-Type Activities	
	2013	2012	2013	2012
Pension obligation bonds	\$ 4,305,000	\$ 4,450,000	\$ -	\$ -
Loans payable	-	-	2,178,739	2,893,728
Revenue bonds	-	-	7,728,990	7,885,298
Capital leases	610,349	29,731	-	-
Compensated absences	1,536,857	1,440,294	78,508	57,631
Landfill postclosure costs	-	263,283	-	-
Postemployment benefits	347,382	254,738	6,554	2,567
Total	\$ 6,799,588	\$ 6,438,046	\$ 9,992,791	\$ 10,839,224

The City's total debt for its governmental activities increased by approximately \$361,542, primarily as a result of incurring new debt for the new fire truck in addition to increased debt liabilities related to compensated absences and postemployment benefits, offset by a reduction in the liability for postclosure costs relate to the closed landfill.

The City's total debt for its business-type activities decreased by approximately \$846,433 primarily as a result of making payment for debt service related to the City's Wastewater Treatment Facility Upgrade revenue bonds and on loans related to prior sewer and airport projects.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is customarily presented to and adopted by the City Council prior to the beginning of the fiscal year that begins July 1 and ends on June 30. The City Council approved the budget in June 2012. Subsequent to the adoption of the annual budget, the budget was reviewed in March 2013 and necessary budget adjustments were approved by the City Council.

The General Fund budget approved in June 2012 for fiscal year 2012-13 estimated approximately \$8.60 million in revenue sources and allocated \$8.47 million in appropriations. During the first six months of the fiscal year, primarily as a result of increasing fuel prices and an expansion of the sales tax base related to the fuel industry, the City anticipated sales tax collections would likely rise. Accordingly, the General Fund budget was adjusted in March 2013, increasing projected revenues to \$9.56 million and expenditures to \$9.24 million. Actual collections of revenues for the fiscal year amounted to \$9.76 million and actual expenditures incurred amounted to \$9.50 million.

At the end of the fiscal year, approximately \$264,659 was added to General Fund balance, leading to an ending total fund balance in the General Fund of \$2.99 million.

CITY OF AUBURN

Management Discussion and Analysis June 30, 2013

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The budget developed for fiscal year 2013-14 was adopted by the City Council on July 8, 2013 subsequent to the passage of a continuing resolution for fiscal year 2013-14 on June 24, 2013. The General Fund budget approved by the City Council anticipates \$9.48 million in revenues and \$9.28 million in expenditures, with approximately \$197,512 being added to General Fund reserves. The City will continue to closely monitor economic activity along with actions taken by regional and state governments that may impact the City's budget.

Revenue growth rates for development-related fees and property taxes are expected to remain relatively flat, while collections of sales and property taxes are expected to increase modestly in the wake of rising fuel prices and a slight recovery in the residential real estate market citywide. The fiscal year 2013-14 General Fund budget also anticipates increased expenditures for debt service related to the purchase of a new fire truck, while at the same time mitigating the impacts of the employee cost savings plans adopted during the "Great Recession". To prevent further earmarking of fund balance, the City is expected to continue reviewing citywide programs consistent with cost effectiveness and efficiency.

All of the above information was considered in preparing the City's budget for Fiscal Year 2013-14.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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

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

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Basic Financial Statements

- **Government-Wide Financial Statements**

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CITY OF AUBURN
Statement of Net Position
June 30, 2013

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 4,953,039	\$ 8,376,810	\$ 13,329,849
Receivables:			
Accounts	4,079	729	4,808
Taxes	977,178	-	977,178
Intergovernmental	239,343	235,138	474,481
Prepaid costs	66,068	2,201	68,269
Investment in JPA	(116,329)	-	(116,329)
Restricted cash and investments	794,722	1,609,805	2,404,527
Loans receivable	591,509	-	591,509
Net pension asset	4,640,236	-	4,640,236
Capital assets:			
Non-depreciable	569,164	14,125,979	14,695,143
Depreciable, net	21,007,992	14,008,719	35,016,711
Total capital assets	<u>21,577,156</u>	<u>28,134,698</u>	<u>49,711,854</u>
Total Assets	<u>33,727,001</u>	<u>38,359,381</u>	<u>72,086,382</u>
LIABILITIES			
Accounts payable	695,737	272,525	968,262
Accrued salaries and benefits	252,000	11,424	263,424
Accrued interest payable	230,393	43,750	274,143
Due to other governmental agencies	244	-	244
Deposits payable	83,895	14,075	97,970
Unearned revenue	589,992	-	589,992
Long-term liabilities:			
Due within one year	837,451	517,678	1,355,129
Due in more than one year	5,962,137	9,475,113	15,437,250
Total Liabilities	<u>8,651,849</u>	<u>10,334,565</u>	<u>18,986,414</u>
NET POSITION			
Net investment in capital assets	20,966,807	18,226,969	39,193,776
Restricted for:			
General government	135,032	-	135,032
Public safety	990,225	-	990,225
Transportation	145,918	-	145,918
Community development	711,595	-	711,595
Capital projects	1,313,425	-	1,313,425
Debt service	-	559,263	559,263
Unrestricted	<u>812,150</u>	<u>9,238,584</u>	<u>10,050,734</u>
Total Net Position	<u>\$ 25,075,152</u>	<u>\$ 28,024,816</u>	<u>\$ 53,099,968</u>

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

CITY OF AUBURN
Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs:	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,890,167	\$ 810,080	\$ 3,106	\$ -
Public safety	5,421,554	25,249	738,205	-
Transportation	3,508,302	284,103	1,567,544	2,468
Community development	693,696	-	256,442	-
Interest on long-term debt	266,979	-	-	-
Total Governmental Activities	11,780,698	1,119,432	2,565,297	2,468
Business-Type activities:				
Airport	666,373	630,290	77,692	-
Sewer	4,108,614	5,388,670	-	-
Total Business-Type Activities	4,774,987	6,018,960	77,692	-
Total	\$ 16,555,685	\$ 7,138,392	\$ 2,642,989	\$ 2,468

General revenues:

Taxes:

Property taxes

Sales and use taxes

In-lieu taxes

Franchise taxes

Transient occupancy taxes

Other taxes

Grants and contributions - unrestricted

Interest and investment earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Cumulative effect of a change in accounting principle

Net Position - Beginning, Restated

Net Position - Ending

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

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

Governmental Activities	Business- Type Activities	Totals
\$ (1,076,981)	\$ -	\$ (1,076,981)
(4,658,100)	-	(4,658,100)
(1,654,187)	-	(1,654,187)
(437,254)	-	(437,254)
(266,979)	-	(266,979)
<u>(8,093,501)</u>	<u>-</u>	<u>(8,093,501)</u>
-	41,609	41,609
-	1,280,056	1,280,056
<u>-</u>	<u>1,321,665</u>	<u>1,321,665</u>
<u>(8,093,501)</u>	<u>1,321,665</u>	<u>(6,771,836)</u>
3,097,824	38,568	3,136,392
2,787,736	-	2,787,736
1,231,066	-	1,231,066
630,244	-	630,244
209,158	-	209,158
52,759	-	52,759
6,960	-	6,960
7,934	3,910	11,844
326,904	40,000	366,904
45,801	(45,801)	-
<u>8,396,386</u>	<u>36,677</u>	<u>8,433,063</u>
<u>302,885</u>	<u>1,358,342</u>	<u>1,661,227</u>
24,867,595	26,846,871	51,714,466
<u>(95,328)</u>	<u>(180,397)</u>	<u>(275,725)</u>
<u>24,772,267</u>	<u>26,666,474</u>	<u>51,438,741</u>
<u>\$ 25,075,152</u>	<u>\$ 28,024,816</u>	<u>\$ 53,099,968</u>

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Basic Financial Statements

- **Fund Financial Statements**

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CITY OF AUBURN
Balance Sheet
Governmental Funds
June 30, 2013

	General Fund	Other Governmental Funds	Totals
ASSETS			
Cash and investments	\$ 2,262,418	\$ 2,690,621	\$ 4,953,039
Receivables:			
Accounts	-	4,079	4,079
Taxes	889,295	87,883	977,178
Intergovernmental	124,882	114,461	239,343
Due from other funds	431,716	130,365	562,081
Prepaid costs	63,016	3,052	66,068
Investment in JPA	(116,329)	-	(116,329)
Restricted cash and investments	89,142	705,580	794,722
Loans receivable	-	591,509	591,509
	\$ 3,744,140	\$ 4,327,550	\$ 8,071,690
LIABILITIES			
Accounts payable	\$ 427,831	\$ 267,906	\$ 695,737
Accrued salaries and benefits	241,141	10,859	252,000
Deposits payable	82,577	1,318	83,895
Due to other governmental agencies	244	-	244
Due to other funds	-	562,081	562,081
Unearned revenue	-	589,992	589,992
	751,793	1,432,156	2,183,949
FUND BALANCES			
Nonspendable	63,016	3,052	66,068
Restricted	-	3,293,143	3,293,143
Committed	2,250,000	-	2,250,000
Unassigned	679,331	(400,801)	278,530
	2,992,347	2,895,394	5,887,741
Total Fund Balances	\$ 3,744,140	\$ 4,327,550	\$ 8,071,690
Total Liabilities and Fund Balances	\$ 3,744,140	\$ 4,327,550	\$ 8,071,690

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

CITY OF AUBURN
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2013

Total Fund Balance - Total Governmental Funds	\$ 5,887,741
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	21,577,156
Interest payable on long-term debt does not require the use of current financial resources and therefore, is not accrued as a liability in the governmental funds balance sheets.	(230,393)
The net pension asset pertaining to governmental funds is not a current financial resource and therefore, is not recorded in the governmental funds balance sheets.	4,640,236
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Pension obligation bonds payable	(4,305,000)
Capital leases payable	(610,349)
Compensated absences	(1,536,857)
Net OPEB obligation	<u>(347,382)</u>
Net Position of Governmental Activities	<u>\$ 25,075,152</u>

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

CITY OF AUBURN
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	General Fund	Other Governmental Funds	Totals
REVENUES			
Taxes	\$ 7,875,169	\$ 133,618	\$ 8,008,787
Licenses and permits	443,038	187,974	631,012
Fines and forfeitures	62,369	-	62,369
Use of money and property	301,594	(1,941)	299,653
Intergovernmental	598,106	1,976,619	2,574,725
Charges for services	105,056	29,276	134,332
Other revenues	228,428	98,476	326,904
Total Revenues	9,613,760	2,424,022	12,037,782
EXPENDITURES			
Current:			
General government	1,649,483	105,994	1,755,477
Public safety	5,374,514	139,329	5,513,843
Transportation	955,772	1,471,351	2,427,123
Community development	663,784	27,072	690,856
Debt service:			
Principal	207,403	-	207,403
Interest and other charges	268,691	-	268,691
Capital outlay	1,067,006	234,676	1,301,682
Total Expenditures	10,186,653	1,978,422	12,165,075
Excess of Revenues Over (Under) Expenditures	(572,893)	445,600	(127,293)
OTHER FINANCING SOURCES (USES)			
Transfers in	194,531	-	194,531
Transfers out	-	(148,730)	(148,730)
Issuance of debt	643,021	-	643,021
Total Other Financing Sources (Uses)	837,552	(148,730)	688,822
Net Change in Fund Balances	264,659	296,870	561,529
Fund Balances - Beginning	2,727,688	2,598,524	5,326,212
Fund Balances - Ending	\$ 2,992,347	\$ 2,895,394	\$ 5,887,741

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

CITY OF AUBURN
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2013

Net Change in Fund Balances - Total Governmental Funds \$ 561,529

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlay	1,301,682
Less: current year depreciation	(1,309,759)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal retirements	207,403
Proceeds from issuance of debt	(643,021)

Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in compensated absences payable	(96,563)
Change in post closure liability	263,283
Change in net OPEB obligation	(92,644)
Change in accrued interest payable	1,712
Amortization of net pension asset	109,263

Change in Net Position of Governmental Activities \$ 302,885

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

CITY OF AUBURN
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-Type Activities		
	Enterprise Funds		
	Airport	Sewer	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ 752,695	\$ 7,624,115	\$ 8,376,810
Receivables:			
Accounts	729	-	729
Intergovernmental	-	235,138	235,138
Prepaid costs	-	2,201	2,201
Total Current Assets	753,424	7,861,454	8,614,878
Noncurrent Assets:			
Restricted cash and investments	14,825	1,594,980	1,609,805
Capital assets:			
Non-depreciable	6,633,266	7,492,713	14,125,979
Depreciable, net	4,314,822	9,693,897	14,008,719
Total Noncurrent Assets	10,962,913	18,781,590	29,744,503
Total Assets	11,716,337	26,643,044	38,359,381
LIABILITIES			
Current Liabilities:			
Accounts payable	93,763	178,762	272,525
Accrued salaries and benefits	1,180	10,244	11,424
Accrued interest payable	11,065	32,685	43,750
Deposits payable	14,075	-	14,075
Compensated absences payable	-	23,383	23,383
Bonds payable	-	161,308	161,308
Loans payable	97,793	235,194	332,987
Total Current Liabilities	217,876	641,576	859,452
Noncurrent Liabilities:			
Compensated absences payable	-	55,125	55,125
Bonds payable	-	7,567,682	7,567,682
Loans payable	380,557	1,465,195	1,845,752
Net OPEB obligation	-	6,554	6,554
Total Noncurrent Liabilities	380,557	9,094,556	9,475,113
Total Liabilities	598,433	9,736,132	10,334,565
NET POSITION			
Net investment in capital assets	10,469,738	7,757,231	18,226,969
Restricted for debt service	-	559,263	559,263
Unrestricted	648,166	8,590,418	9,238,584
Total Net Position	\$ 11,117,904	\$ 16,906,912	\$ 28,024,816

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

CITY OF AUBURN
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-Type Activities		
	Enterprise Funds		
	Airport	Sewer	Totals
OPERATING REVENUES			
Charges for services:			
User fees and charges	\$ 53,410	\$ 5,388,670	\$ 5,442,080
Rents and concessions	576,880	-	576,880
Other revenues	40,000	-	40,000
Total Operating Revenues	670,290	5,388,670	6,058,960
OPERATING EXPENSES			
Salaries and benefits	70,109	398,694	468,803
Services and supplies	111,644	2,589,045	2,700,689
Maintenance	93,134	28,716	121,850
Depreciation	366,904	646,116	1,013,020
Total Operating Expenses	641,791	3,662,571	4,304,362
Operating Income (Loss)	28,499	1,726,099	1,754,598
NONOPERATING REVENUES (EXPENSES)			
Taxes	38,568	-	38,568
Intergovernmental	77,692	-	77,692
Interest income	(1,274)	5,184	3,910
Interest expense	(24,582)	(442,349)	(466,931)
Amortization	-	(3,694)	(3,694)
Total Nonoperating Revenues (Expenses)	90,404	(440,859)	(350,455)
Income (Loss) before Transfers	118,903	1,285,240	1,404,143
Transfers in	-	-	-
Transfers out	(7,343)	(38,458)	(45,801)
Change in Net Position	111,560	1,246,782	1,358,342
Total Net Position - Beginning	11,006,344	15,840,527	26,846,871
Cumulative effect of a change in accounting principle	-	(180,397)	(180,397)
Total Net Position - Beginning, Restated	11,006,344	15,660,130	26,666,474
Total Net Position - Ending	\$ 11,117,904	\$ 16,906,912	\$ 28,024,816

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

CITY OF AUBURN
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Business-Type Activities		
	Enterprise Funds		
	Airport	Sewer	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 630,433	\$ 5,388,670	\$ 6,019,103
Other receipts	40,000	-	40,000
Payments to suppliers	(127,054)	(2,627,579)	(2,754,633)
Payments to employees	(68,929)	(364,713)	(433,642)
Net Cash Provided (Used) by Operating Activities	474,450	2,396,378	2,870,828
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Taxes received	41,833	-	41,833
Noncapital grants received	77,692	(8,311)	69,381
Transfers to other funds	(7,343)	(38,458)	(45,801)
Net Cash Provided (Used) by Noncapital Financing Activities	112,182	(46,769)	65,413
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(200,329)	(1,061,633)	(1,261,962)
Principal paid on capital debt	(92,657)	(442,234)	(534,891)
Interest paid on capital debt	(26,814)	(396,224)	(423,038)
Net Cash Provided (Used) for Capital and Related Financing Activities	(319,800)	(1,900,091)	(2,219,891)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	(1,274)	5,184	3,910
Net Cash Provided (Used) by Investing Activities	(1,274)	5,184	3,910
Net Increase (Decrease) in Cash and Cash Equivalents	265,558	454,702	720,260
Balances - Beginning	501,962	8,764,393	9,266,355
Balances - Ending	\$ 767,520	\$ 9,219,095	\$ 9,986,615

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

CITY OF AUBURN
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Business-Type Activities		
	Enterprise Funds		
	<u>Airport</u>	<u>Sewer</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 28,499	\$ 1,726,099	\$ 1,754,598
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	366,904	646,116	1,013,020
Decrease (Increase) in:			
Accounts receivable	143	-	143
Prepaid costs	-	(185)	(185)
Increase (Decrease) in:			
Accounts payable	77,624	(9,633)	67,991
Accrued salaries and benefits	1,180	9,118	10,298
Deposits payable	100	-	100
Compensated absences payable	-	20,876	20,876
Net OPEB obligation	-	3,987	3,987
Net Cash Provided (Used) by Operating Activities	<u>\$ 474,450</u>	<u>\$ 2,396,378</u>	<u>\$ 2,870,828</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Amortization of discounts	\$ -	\$ 50,733	\$ 50,733

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

CITY OF AUBURN
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Other Employee Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and investments	\$ 323,265	\$ 314,890	\$ 44,594
Receivables:			
Accounts	-	-	7,982
Intergovernmental	-	-	5,050
Due from other funds	-	39,018	-
Capital assets:			
Non-depreciable	-	350,000	-
	<u> -</u>	<u> 350,000</u>	<u> -</u>
Total Assets	<u><u>\$ 323,265</u></u>	<u><u>\$ 703,908</u></u>	<u><u>\$ 57,626</u></u>
LIABILITIES			
Accounts payable	\$ -	\$ 293	\$ 24,741
Interest payable	-	21,012	-
Due to other funds	-	39,018	-
Agency obligations	-	-	32,885
Long-term debt:			
Due within one year	-	81,577	-
Due in more than one year	-	4,152,861	-
	<u> -</u>	<u> 4,152,861</u>	<u> -</u>
Total Liabilities	<u> -</u>	<u> 4,294,761</u>	<u> 57,626</u>
NET POSITION			
Net position held in trust	<u><u>\$ 323,265</u></u>	<u><u>\$ (3,590,853)</u></u>	<u><u>\$ -</u></u>

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

CITY OF AUBURN
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2013

	Other Employee Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS		
Property taxes	\$ -	\$ 384,470
Interest and investment income	(586)	9,769
Plan member contributions	47,599	-
Other contributions	-	58,863
Total Additions	47,013	453,102
DEDUCTIONS		
Distributions to participants	-	56,695
Program expenses of former redevelopment agency	-	1,027,986
Interest expense	-	255,029
Amortization	-	3,423
Total Deductions	-	1,343,133
Transfers in	-	335,294
Transfers out	-	(335,294)
Change in Net Position	47,013	(890,031)
Net Position - Beginning	276,252	(2,609,109)
Cumulative effect of a change in accounting principle	-	(91,713)
Net Position - Beginning, Restated	276,252	(2,700,822)
Net Position - Ending	\$ 323,265	\$ (3,590,853)

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

Basic Financial Statements

- **Notes to Basic Financial Statements**

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CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

Blended Component Units

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units

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

Joint Agencies

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

The City is a participant in California Joint Powers Risk Management Authority (CJPRMA), the purpose of which is to provide excess coverage for its members. The CJPRMA is governed by a board of directors representing its member cities. Complete financial information can be obtained from the claims administrator at 3252 Constitution Drive, Livermore, California 94551. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

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

B. Basis of Presentation

Government-Wide Financial Statements

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

The City reports the following major governmental fund:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, public ways and facilities, community development, and health and sanitation and culture-recreation services.

The City reports the following major proprietary funds:

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

The City reports the following additional fund types:

- The Other Employee Benefit Trust fund accounts for the APOA Medical Savings Plan. In compliance with GASB 43, the City established this trust to account for resources held in trust for the members of an employee benefit plan.
- The Private Purpose Trust funds account for property held under other trust arrangement under which principal and income benefit individuals, private organizations or other governments. Private purpose trust funds include the Merchant's Council, Historic Auburn, Signature Theatre Sewer District, the Southwest Specific Plan, and the Successor Agency to the Auburn Urban Development Authority.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- The Agency funds account for resources held by the City as a trustee or an agent for individuals, private organizations, and other governmental entities. These resources include payroll deduction and collection clearing funds and various fees collected on behalf of other agencies.

C. Basis of Accounting and Measurement Focus

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

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

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

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

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.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash, Cash Equivalents and Investments

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

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

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

F. Restricted Cash and Investments

Restricted assets in the governmental funds represents cash and investments held in the General fund for security deposits of \$89,142 and in the Solid Waste Management fund for future postclosure costs of \$705,580. Restricted assets in the proprietary funds represent cash and investments held in the Airport fund for tenant deposits of \$14,825 and in the Sewer fund for debt service of \$1,594,980.

G. Receivables

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

H. Other Assets

Inventory

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

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 an asset with a cost greater than \$5,000 and a useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their estimated fair market value at the date of donation.

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

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

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

K. Property Tax

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

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

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Interfund Transactions

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

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

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

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

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

M. Unearned Revenue

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

N. Compensated Absences

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

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

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2013, the City did not have any deferred outflows of resources.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2013, the City did not have any deferred inflows of resources.

P. Estimates

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

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

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

Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements. This statement improves financial reporting by addressing issues related to service concession arrangements.

Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. The statement clarifies the reporting of equity interest in legally separate organizations and requires the primary government to report its equity interest in a component unit as an asset.

Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This statement improves reporting by contributing to GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source.

Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

Statement No. 65, Items Previously Reported as Assets and Liabilities. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Statement No. 66, Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62. This statement improved accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of GASB Statements No. 54 and No. 62.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Position

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the City reports these changes as restatements of beginning net position. During the current year GASB Statement No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB Statement No. 65 Items Previously Reported as Assets and Liabilities were implemented. The City recorded a cumulative effect of a change in accounting principle for the unamortized costs of issuance.

The impact of the restatement on the net position on the government-wide financial statements as previously reported is presented below:

	Governmental Activities	Business-Type Activities
Net Position, June 30, 2012, as previously reported	\$ 24,867,595	\$ 26,846,871
Adjustment associated with:		
Cumulative effect of a change in accounting principle	(95,328)	(180,397)
Total Adjustments	(95,328)	(180,397)
Net Position, July 1, 2012, as restated	<u>\$ 24,772,267</u>	<u>\$ 26,666,474</u>

The impact of the restatement on the net position on the proprietary fund financial statements as previously reported is presented below:

	Sewer
Net Position, June 30, 2012, as previously reported	\$ 15,840,527
Adjustment associated with:	
Cumulative effect of a change in accounting principle	(180,397)
Total Adjustments	(180,397)
Net Position, July 1, 2012, as restated	<u>\$ 15,660,130</u>

B. Deficit Fund Balance

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

The Auburn School Park Preserve fund had a fund balance deficit of \$396,431, which is expected to be eliminated in the future through intergovernmental revenues.

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

C. Rebtable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The City does not expect to incur a liability for rebatable arbitrage at June 30, 2013.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2013, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 5,747,761
Business type activities	9,986,615
Fiduciary funds	<u>682,749</u>
Total Cash and Investments	<u>\$ 16,417,125</u>

As of June 30, 2013, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 250
Deposits in City Pool (less outstanding checks)	<u>6,229,109</u>
Total Cash in City Pool	6,229,359
Deposits with fiscal agents	<u>1,948,716</u>
Total Cash	<u>8,178,075</u>
Investments:	
In City's pool	<u>8,239,050</u>
Total Investments	<u>8,239,050</u>
Total Cash and Investments	<u>\$ 16,417,125</u>

B. Cash

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts, money market accounts and deposits with fiscal agents) was \$8,177,825 and the bank balance was \$8,483,590. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition the City had cash on hand of \$250.

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

C. Investments

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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

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

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

As of June 30, 2013, the City had the following investments, all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
Government Agency Securities	.50-1.40%	\$ -	\$ 5,402,700	\$ 5,402,700	4.43
Corporate Bonds	6.625%	31,250	-	31,250	(1.45) (1)
Certificates of Deposit	.20%	252,914	250,000	502,914	.38
Placer County Investment Pool	Variable	2,259,794	-	2,259,794	-
Local Agency Investment Fund (LAIF)	Variable	42,392	-	42,392	-
Total		\$ 2,586,350	\$ 5,652,700	\$ 8,239,050	2.92

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Rating</u>	<u>% of Portfolio</u>
Federal Farm Credit Bank	N/A	AA+	Aaa	29.83%
Federal Home Loan Bank	N/A	AA+	Aaa	5.95%
Federal Home Loan Mortgage Corporation	N/A	AA+	Aaa	8.93%
Federal National Mortgage Association	N/A	AA+	Aaa	20.87%
Corporate bonds	A	WR (1)	WR(1)	.38%
Certificates of deposit	N/A	Unrated	Unrated	6.10%
Placer County Investment Pool	N/A	Unrated	Unrated	27.43%
LAIF	N/A	Unrated	Unrated	.51%
Total				<u>100.00%</u>

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

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

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and eternal investment pools) at June 30, 2013, that represent 5 percent or more of total City investments are as follows:

<u>Investment Type</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Federal Farm Credit Bank	\$ 2,456,960	29.83%
Federal Home Loan Bank	490,455	5.95%
Federal Home Loan Mortgage Corporation	735,450	8.93%
Federal National Mortgage Association	1,719,835	20.87%

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

D. Investment in External Investment Pools

Investment in Local Agency Investment Fund - The City of Auburn is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code and is managed by the Treasurer of the State of California. The Local Investment Advisory Board (LAIF Board) has oversight responsibility for LAIF. The LAIF Board consists of five members as designated by State statute.

Investments in LAIF are available on demand and are stated at amortized cost, which approximates fair value. The fair value of the City's position in the pool is the same as the value of the pooled shares. At June 30, 2013 the City's investment position in LAIF was \$42,392. The total amount invested by all public agencies in LAIF on that day was \$58,828,474,533. Of that amount, 98.04% is invested in non-derivative financial products and 1.96% in structured notes and asset-backed securities.

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2013, was as follows:

Governmental Activities

	Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	Balance <u>June 30, 2013</u>
Capital assets, not being depreciated:					
Construction in progress	\$ 210,987	\$ 376,777	\$ -	(\$ 18,600)	\$ 569,164
Total Capital Assets, Not Being Depreciated	<u>210,987</u>	<u>376,777</u>	<u>-</u>	<u>(18,600)</u>	<u>569,164</u>
Capital assets, being depreciated:					
Infrastructure	6,290,872	23,355	-	-	6,314,227
Buildings and improvements	5,230,205	-	-	-	5,230,205
Equipment	6,399,741	901,550	-	18,600	7,319,891
Land improvements	<u>13,141,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,141,046</u>
Total Capital Assets, Being Depreciated	<u>31,061,864</u>	<u>924,905</u>	<u>-</u>	<u>18,600</u>	<u>32,005,369</u>
Less accumulated depreciation for:					
Infrastructure	(1,410,119)	(303,479)	-	-	(1,713,598)
Buildings and improvements	(2,254,093)	(103,568)	-	-	(2,357,661)
Equipment	(4,980,366)	(284,431)	-	-	(5,264,797)
Land improvements	<u>(1,043,040)</u>	<u>(618,281)</u>	<u>-</u>	<u>-</u>	<u>(1,661,321)</u>
Total Accumulated Depreciation	<u>(9,687,618)</u>	<u>(1,309,759)</u>	<u>-</u>	<u>-</u>	<u>(10,997,377)</u>
Total Capital Assets, Being Depreciated, Net	<u>21,374,246</u>	<u>(384,854)</u>	<u>\$ -</u>	<u>18,600</u>	<u>21,007,992</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,585,233</u>	<u>(\$ 8,077)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,577,156</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 4: CAPITAL ASSETS (CONTINUED)

Business-Type Activities

	Balance July 1, 2012	Additions	Retirements	Balance June 30, 2013
Capital assets, not being depreciated:				
Land	\$ 2,874,395	\$ -	\$ -	\$ 2,874,395
Construction in progress	<u>10,386,170</u>	<u>865,414</u>	<u>-</u>	<u>11,251,584</u>
Total Capital Assets, Not Being Depreciated	<u>13,260,565</u>	<u>865,414</u>	<u>-</u>	<u>14,125,979</u>
Capital assets, being depreciated:				
Infrastructure	22,240,076	12,156	-	22,252,232
Equipment	<u>1,635,752</u>	<u>384,391</u>	<u>-</u>	<u>2,020,143</u>
Total Capital Assets, Being Depreciated	<u>23,875,828</u>	<u>396,547</u>	<u>-</u>	<u>24,272,375</u>
Less accumulated depreciation for:				
Infrastructure	(7,839,320)	(895,827)	-	(8,735,147)
Equipment	<u>(1,411,316)</u>	<u>(117,193)</u>	<u>-</u>	<u>(1,528,509)</u>
Total Accumulated Depreciation	<u>(9,250,636)</u>	<u>(1,013,020)</u>	<u>-</u>	<u>(10,263,656)</u>
Total Capital Assets, Being Depreciated, Net	<u>14,625,192</u>	<u>(616,473)</u>	<u>-</u>	<u>14,008,719</u>
Business-Type Activities Capital Assets, Net	<u>\$ 27,885,757</u>	<u>\$ 248,941</u>	<u>\$ -</u>	<u>\$ 28,134,698</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 57,036
Public safety	235,612
Transportation	1,014,271
Community development	<u>2,840</u>
Total Depreciation Expense – Governmental Functions	<u>\$ 1,309,759</u>

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

Airport	\$ 366,904
Sewer	<u>646,116</u>
Total Depreciation Expense – Business-Type Functions	<u>\$ 1,013,020</u>

Construction in Progress

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

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

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, 2013:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 431,716	\$ -
Nonmajor Governmental Funds	130,365	562,081
Private Purpose Trust Funds	<u>39,018</u>	<u>39,018</u>
Total	<u>\$ 601,099</u>	<u>\$ 601,099</u>

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2013:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 194,531	\$ -
Nonmajor Governmental Funds	-	148,730
Airport	-	7,343
Sewer	-	38,458
Private Purpose Trust Funds	<u>335,294</u>	<u>335,294</u>
Total	<u>\$ 529,825</u>	<u>\$ 529,825</u>

NOTE 6: UNEARNED REVENUE

At June 30, 2013, components of unearned revenue were as follows:

	<u>Unearned</u>
Nonmajor Governmental Funds	
Local transportation fund unspent allocations	<u>\$ 589,992</u>
Total	<u>\$ 589,992</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2012</u>	<u>Additions/ Adjustments</u>	<u>Retirements/ Adjustments</u>	<u>Balance June 30, 2013</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Pension obligation bonds	\$ 4,450,000	\$ -	(\$ 145,000)	\$ 4,305,000	\$ 175,000
Capital leases	29,731	643,021	(62,403)	610,349	156,993
Compensated absences	1,440,294	509,429	(412,866)	1,536,857	505,458
Landfill postclosure costs	263,283	-	(263,283)	-	-
Net OPEB obligation	<u>254,738</u>	<u>108,279</u>	<u>(15,635)</u>	<u>347,382</u>	<u>-</u>
Total Governmental Activities	<u>\$ 6,438,046</u>	<u>\$ 1,260,729</u>	<u>(\$ 899,187)</u>	<u>\$ 6,799,588</u>	<u>\$ 837,451</u>
Business-Type Activities					
Loans	\$ 2,893,728	\$ -	(\$ 374,891)	\$ 2,518,837	\$ 380,027
Less: Discount	<u>-</u>	<u>(387,138)</u>	<u>47,040</u>	<u>(340,098)</u>	<u>(47,040)</u>
Loans, Net	2,893,728	(387,138)	(327,851)	2,178,739	332,987
Sewer revenue bonds	7,985,000	-	(160,000)	7,825,000	165,000
Less: Discount	<u>(99,702)</u>	<u>-</u>	<u>3,692</u>	<u>(96,010)</u>	<u>(3,692)</u>
Sewer revenue bonds, net	7,885,298	-	(156,308)	7,728,990	161,308
Compensated Absences	57,631	23,209	(2,332)	78,508	23,383
Net OPEB Obligation	<u>2,567</u>	<u>3,987</u>	<u>-</u>	<u>6,554</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 10,839,224</u>	<u>(\$ 359,942)</u>	<u>(\$ 486,491)</u>	<u>\$ 9,992,791</u>	<u>\$ 517,678</u>

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

Individual issues of debt payable outstanding at June 30, 2013, are as follows:

Governmental Activities

Pension obligation bonds:

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

	<u>\$ 4,305,000</u>
Total Pension Obligation Bonds	<u>4,305,000</u>
Total Governmental Activities	<u>\$ 4,305,000</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at June 30, 2013, are as follows (Continued):

Business-Type Activities

Loans:

State Department of Transportation loan, issued August 2002 in the amount of \$1,000,000 and payable in annual installments of \$55,556 to \$95,556, with an interest rate of 4.68% and maturity on January 24, 2018. Loan proceeds were used to finance the East Hangar project at the airport. \$ 420,000

State Department of Transportation loan, issued July 2005 in the amount of \$200,000 and payable in annual installments of \$9,561 to \$16,955, with an interest rate of 4.78% and maturity on July 30, 2017. Loan proceeds were used to finance the installation of new fuel tanks at the airport. 58,350

State Department of Water Resources loan, issued February 23, 1998 in the amount of \$2,173,820 and payable in annual installments of \$108,691, with an interest rate of 0.0% and maturity on January 13, 2019. Loan proceeds were used to finance construction of the wastewater treatment plant improvement project phase 1A. 652,146

State Department of Water Resources loan, issued April 21, 1999 in the amount of \$2,892,368 and payable in annual installments of \$173,543, with an interest rate of 0.0% and maturity on March 1, 2021. Loan proceeds were used to finance construction of the wastewater treatment plant improvement project phase 1B. 1,388,341

Total Loans 2,518,837

Sewer Revenue Bonds:

Wastewater Revenue Bonds Series 2009, issued August 5, 2009 in the amount of \$8,525,000 and payable in annual installments of \$155,000 to \$530,000, with an interest rate of 2.00% to 5.50% and maturity on June 1, 2039. The bonds were used to finance the acquisition and construction of wastewater treatment plant improvements. 7,825,000

Total Sewer Revenue Bonds 7,825,000

Total Business-Type Activities \$ 10,343,837

Following is a schedule of debt payment requirements of governmental activities and business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities, capital leases which are reported in Note 8, landfill postclosure costs which are reported in Note 10, and net OPEB obligation which is reported in Note 14.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities

Year Ended June 30	Pension Obligation Bonds		
	Principal	Interest	Total
2014	\$ 175,000	\$ 254,256	\$ 429,256
2015	200,000	244,036	444,036
2016	230,000	232,356	462,356
2017	255,000	218,924	473,924
2018	285,000	203,879	488,879
2019-2023	1,730,000	722,788	2,452,788
2024-2028	<u>1,430,000</u>	<u>271,594</u>	<u>1,701,594</u>
Total	<u>\$ 4,305,000</u>	<u>\$ 2,147,833</u>	<u>\$ 6,452,833</u>

Business-Type Activities

Year Ended June 30	Loans		
	Principal	Interest	Total
2014	\$ 380,027	\$ 22,460	\$ 402,487
2015	385,164	17,865	403,029
2016	390,299	13,028	403,327
2017	387,351	7,951	395,302
2018	346,677	3,018	349,695
2019-2021	<u>629,319</u>	<u>-</u>	<u>629,319</u>
Total	<u>\$ 2,518,837</u>	<u>\$ 64,322</u>	<u>\$ 2,583,159</u>

Year Ended June 30	Sewer Revenue Bonds		
	Principal	Interest	Total
2014	\$ 165,000	\$ 392,225	\$ 557,225
2015	170,000	387,275	557,275
2016	175,000	381,325	556,325
2017	180,000	374,325	554,325
2018	190,000	367,125	557,125
2019-2023	1,075,000	1,707,275	2,782,275
2024-2028	1,350,000	1,431,894	2,781,894
2029-2033	1,735,000	1,051,894	2,786,894
2034-2038	2,255,000	530,519	2,785,519
2039	<u>530,000</u>	<u>29,150</u>	<u>559,150</u>
Total	<u>\$ 7,825,000</u>	<u>\$ 6,653,007</u>	<u>\$ 14,478,007</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 8: LEASES

Capital Leases

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

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments at June 30, 2013</u>
Governmental activities	9.83%	\$ 610,349
Total		<u>\$ 610,349</u>

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

	<u>Governmental Activities</u>
Cost of equipment	\$ 743,876
Less: accumulated depreciation	(43,669)
Net Value	<u>\$ 700,207</u>

As of June 30, 2013, capital lease annual amortization was as follows:

<u>Year Ended June 30</u>	<u>Governmental Activities</u>
2014	\$ 171,684
2015	169,673
2016	108,951
2017	100,371
2018	<u>96,181</u>
Total Requirements	646,860
Less Interest	(36,511)
Present Value of Remaining Payments	<u>\$ 610,349</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 9: RENTAL INCOME FROM LEASES

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

<u>Year Ended</u> <u>June 30</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
2014	\$ 188,403	\$ 632,070
2015	188,403	632,070
2016	188,403	632,070
2017	188,403	632,070
2018	188,403	630,546
2019-2023	942,015	3,023,970
2024-2028	928,626	2,982,720
2029-2033	875,070	2,705,180
2034-2038	839,311	1,833,344
2039-2043	601,169	1,453,650
2044-2048	151,516	801,679
2049-2053	-	55,956
2054-2058	-	26,535
2059-2063	-	10,614
	<u> </u>	<u> </u>
Total Rental Income From Leases	<u>\$ 5,279,722</u>	<u>\$ 16,052,474</u>

NOTE 10: POSTCLOSURE

The City of Auburn has postclosure responsibility for one landfill site (located on the Auburn Municipal Airport). State and federal laws and regulations require that the City of Auburn place a final cover over its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years following its closure. Closure procedures have been performed and postclosure activity is recorded in a special revenue fund. Postclosure maintenance activities are funded by a 1.21 percent surcharge on refuse collection fees. The landfill was closed in 1984 and the City has amortized the postclosure liability over thirty years. The liability balance at June 30, 2013 was \$0.

The City of Auburn is required by state and federal laws and regulations to make annual contributions to finance postclosure care costs. The costs of these procedures was funded on a pay as you go basis. The City did not adopt a pledge of revenue to fund these costs. At June 30, 2013, the City was still holding bank deposits and federal securities in the amount of \$705,580 for this purpose.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 10: POSTCLOSURE (CONTINUED)

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

NOTE 11: NET POSITION

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

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

Net Position Flow Assumption

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

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$3,855,458 of restricted net position, of which \$1,313,425 is restricted by enabling legislation.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 12: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2013, fund balance for governmental funds are made up of the following:

- Nonspendable fund balance - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- Restricted fund balance - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance - amounts that can only be used for the specific purposes determined by formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision making authority for the City that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance - amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- Unassigned fund balance - the residual classification for the City’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 12: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2013, were distributed as follows:

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:			
Prepaid costs	\$ 63,016	\$ 3,052	\$ 66,068
Subtotal	<u>63,016</u>	<u>3,052</u>	<u>66,068</u>
Restricted For:			
Property seizures	-	92,918	92,918
Street maintenance and construction	-	142,866	142,866
Maidu Fire Station	-	37,875	37,875
Solid Waste Management	-	775,313	775,313
Fire protection services	-	84,119	84,119
Community development	-	711,595	711,595
Capital projects	-	<u>1,448,457</u>	<u>1,448,457</u>
Subtotal	<u>-</u>	<u>3,293,143</u>	<u>3,293,143</u>
Committed to:			
Contingencies	<u>2,250,000</u>	<u>-</u>	<u>2,250,000</u>
Subtotal	<u>2,250,000</u>	<u>-</u>	<u>2,250,000</u>
Unassigned	<u>679,331</u>	<u>(400,801)</u>	<u>278,530</u>
Total	<u>\$ 2,992,347</u>	<u>\$ 2,895,394</u>	<u>\$ 5,887,741</u>

Fund Balance Flow Assumption

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

Fund Balance Policy

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 13: EMPLOYEES' RETIREMENT PLAN

A. Plan Description

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

B. Funding Policy

Miscellaneous Plan members are required to contribute up to 7 percent of their annual covered salary and Safety Plan members are required to contribute up to 9 percent of their annual covered salary. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rate for fiscal year 2012/2013 was 11.069 percent for the Miscellaneous Plan, 25.104 percent for the Safety Police Plan, and \$29,987 percent for the Safety Fire Plan. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS. The City's contributions for the years ending June 30, 2013, 2012, and 2011 were \$1,033,946, \$946,582, and \$725,514, respectively, which were equal to the required contributions each year.

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

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

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

B. Funding Policy

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

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

B. Funding Policy (Continued)

The annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45 - Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. The City elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The City's ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of 30 years. The fiscal year 2012/13 ARC is \$60,463

For 2012/13, the City contributed \$15,635 to the Plan as the amount of healthcare insurance benefits reimbursed to eligible employees.

C. Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 60,463
Interest on net OPEB Obligation	1,814
Adjustment to Annual Required Contribution	<u>49,989</u>
Annual OPEB Cost	112,266
Contributions Made	<u>(15,635)</u>
Increase (decrease) in Net OPEB Obligation	96,631
Net OPEB Obligation Beginning	<u>257,305</u>
Net OPEB Obligation Ending	<u><u>\$ 353,936</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2011	\$ 104,561	11.74%	\$ 172,881
June 30, 2012	98,782	14.54%	257,305
June 30, 2013	112,266	13.93%	353,936

D. Funded Status and Funding Progress

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

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

D. Funded Status and Funding Progress (Continued)

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

E. Actuarial Methods and Assumptions

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

The following simplifying assumptions were made:

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

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

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

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

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

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

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

E. Actuarial Methods and Assumptions (Continued)

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

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

Based on the historical and expected returns of the City's long-term investment portfolio, a discount rate of 3 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2013 was twenty-seven years.

NOTE 15: RISK MANAGEMENT

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

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

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
For the Year Ended June 30, 2013

NOTE 15: 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, 2013 were as follows:

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

The City's equity investment in the NCCSIF of (\$116,329) is recorded in the General fund as Investment in JPA. The net change in equity is shown as an income or expenditure item in the General fund.

NOTE 16: OTHER INFORMATION

A. Commitments and Contingencies

At June 30, 2013, the City had construction contracts outstanding of approximately \$284,868 for the Palm Avenue sidewalk project, the Auburn Oaks lift station upgrade, and the Airport Lighting Project.

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 16: OTHER INFORMATION (CONTINUED)

B. Successor Agency Trust for Assets of Former Redevelopment Agency

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

During the year ended June 30, 2013, the Successor Agency reported a restatement of beginning net position as a result of implemented GASB Statement No. 63 and GASB Statement No. 65 Items. The Successor Agency recorded a cumulative effect of a change in accounting principle for the unamortized costs of issuance which resulted in a reduced beginning Net Position of \$91,713.

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2012</u>	<u>Additions/ Adjustments</u>	<u>Retirements</u>	<u>Balance June 30, 2013</u>	<u>Amounts Due Within One Year</u>
Tax allocation bonds	\$ 4,400,000	\$ -	(\$ 80,000)	\$ 4,320,000	\$ 85,000
Less: Discount	(88,985)	-	3,423	(85,562)	(3,423)
Tax allocation bonds, net	<u>4,311,015</u>	-	(76,577)	<u>4,234,438</u>	<u>81,577</u>
Total	<u>\$ 4,311,015</u>	<u>\$ -</u>	<u>(\$ 76,577)</u>	<u>\$ 4,234,438</u>	<u>\$ 81,577</u>

Individual issues of debt payable outstanding at June 30, 2013, are as follows:

Tax Allocation Bonds:

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

\$ 4,320,000

Total Tax Allocation Bonds

\$ 4,320,000

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>
2014	\$ 85,000	\$ 252,142	\$ 337,142
2015	90,000	248,530	338,530
2015	90,000	244,408	334,408
2017	95,000	240,205	335,205
2018	100,000	235,455	335,455
2019-2023	595,000	1,089,045	1,684,045
2024-2028	790,000	889,800	1,679,800
2029-2033	1,060,000	622,200	1,682,200
2034-2038	<u>1,415,000</u>	<u>264,600</u>	<u>1,679,600</u>
Total	<u>\$ 4,320,000</u>	<u>\$ 4,086,385</u>	<u>\$ 8,406,385</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 16: OTHER INFORMATION (CONTINUED)

C. Subsequent Events

Management has evaluated events subsequent to June 30, 2013 through January 22, 2014, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information
(Unaudited)**

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CITY OF AUBURN
Required Supplementary Information
For the Year Ended June 30, 2013

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

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

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

CITY OF AUBURN
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 7,406,456	\$ 7,871,846	\$ 7,875,169	\$ 3,323
Licenses and permits	283,600	455,290	443,038	(12,252)
Fines and forfeitures	87,500	72,500	62,369	(10,131)
Use of money and property	327,000	325,000	301,594	(23,406)
Other governmental agencies	273,000	568,894	598,106	29,212
Charges for services	110,590	95,590	105,056	9,466
Other revenues	8,500	25,500	228,428	202,928
Total Revenues	8,496,646	9,414,620	9,613,760	199,140
EXPENDITURES				
Current:				
General government:				
City council	67,749	67,749	61,674	6,075
City manager	130,720	135,720	144,947	(9,227)
City clerk	111,252	124,342	120,740	3,602
Administrative services	411,427	392,239	389,798	2,441
City attorney	182,000	200,000	196,263	3,737
Information technology	128,000	128,000	131,970	(3,970)
Insurance programs	142,000	152,220	562,853	(410,633)
Support for community programs	72,094	72,094	41,238	30,856
Total General Government	1,245,242	1,272,364	1,649,483	(377,119)
Public Safety:				
Police	3,245,433	3,332,433	3,300,582	31,851
Fire	1,788,555	2,044,681	2,073,932	(29,251)
Total Public Safety	5,033,988	5,377,114	5,374,514	2,600
Transportation:				
Administration and engineering	118,766	118,766	33,204	85,562
Building maintenance	229,300	259,300	300,110	(40,810)
Construction and maintenance	403,209	438,959	398,377	40,582
Yard and shop	205,977	209,977	202,127	7,850
Stormwater management	24,500	24,500	21,954	2,546
Total Transportation	981,752	1,051,502	955,772	95,730
Community development:				
Administration	391,306	449,306	459,534	(10,228)
Building inspections	211,803	211,803	204,250	7,553
Total Community Development	603,109	661,109	663,784	(2,675)

CITY OF AUBURN
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
EXPENDITURES				
Nondepartmental:				
Debt service	367,000	-	476,094	(476,094)
Capital outlay	242,000	2,991,180	1,067,006	1,924,174
Total Nondepartmental	<u>609,000</u>	<u>2,991,180</u>	<u>1,543,100</u>	<u>1,448,080</u>
Total Expenditures	<u>8,473,091</u>	<u>11,353,269</u>	<u>10,186,653</u>	<u>1,166,616</u>
Excess of Revenues Over (Under) Expenditures	<u>23,555</u>	<u>(1,938,649)</u>	<u>(572,893)</u>	<u>1,365,756</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	145,655	194,531	48,876
Transfers out	(100,000)	(100,000)	-	100,000
Issuance of debt	-	-	643,021	643,021
Total Other Financing Sources (Uses)	<u>-</u>	<u>45,655</u>	<u>837,552</u>	<u>791,897</u>
Net Change in Fund Balance	<u>23,555</u>	<u>(1,892,994)</u>	<u>264,659</u>	<u>2,157,653</u>
Fund Balances - Beginning	<u>2,727,688</u>	<u>2,727,688</u>	<u>2,727,688</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,751,243</u>	<u>\$ 834,694</u>	<u>\$ 2,992,347</u>	<u>\$ 2,157,653</u>

CITY OF AUBURN
Required Supplementary Information
Notes to Budgetary Comparison Schedule
For the Year Ended June 30, 2013

BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

Annual appropriated budgets are not adopted for certain funds established to meet or satisfy a specific purpose. For the fiscal year ended June 30, 2013, the following funds were considered established for a specific purpose and did not have annual appropriated budgets:

Maidu Fire Station
Hwy 49 Beautification
Project Fund

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

CITY OF AUBURN
Required Supplementary Information
Notes to Budgetary Comparison Schedule
For the Year Ended June 30, 2013

BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

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

<u>Fund</u>	<u>Department</u>	<u>Excess of Expenditures Over Appropriations</u>
General fund	City manager	9,227
	Information technology	3,970
	Insurance programs	410,633
	Fire	29,251
	Building maintenance	40,810
	Administration	10,228
	Debt service	476,094

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**Combining and Individual Fund Statements and
Schedules**

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Nonmajor Governmental Funds

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CITY OF AUBURN
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue Funds	Capital Projects Funds	Totals
ASSETS			
Cash and investments	\$ 1,377,196	\$ 1,313,425	\$ 2,690,621
Receivables:			
Accounts	4,079	-	4,079
Taxes	87,883	-	87,883
Intergovernmental	114,461	-	114,461
Due from other funds	130,365	-	130,365
Prepaid costs	3,052	-	3,052
Restricted cash and investments	705,580	-	705,580
Loans receivable	591,509	-	591,509
	Total Assets	\$ 1,313,425	\$ 4,327,550
	\$ 3,014,125	\$ 1,313,425	\$ 4,327,550
LIABILITIES			
Accounts payable	\$ 267,906	\$ -	\$ 267,906
Accrued salaries and benefits	10,859	-	10,859
Deposits payable	-	1,318	1,318
Due to other funds	165,650	396,431	562,081
Unearned revenue	589,992	-	589,992
	Total Liabilities	397,749	1,432,156
	1,034,407	397,749	1,432,156
FUND BALANCES			
Nonspendable	3,052	-	3,052
Restricted	1,979,718	1,313,425	3,293,143
Unassigned	(3,052)	(397,749)	(400,801)
	Total Fund Balances	915,676	2,895,394
	1,979,718	915,676	2,895,394
Total Liabilities and Fund Balances	\$ 3,014,125	\$ 1,313,425	\$ 4,327,550

CITY OF AUBURN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue Funds	Capital Projects Funds	Totals
REVENUES			
Taxes	\$ 133,618	\$ -	\$ 133,618
Licenses and permits	187,000	974	187,974
Use of money and property	(1,173)	(768)	(1,941)
Intergovernmental	1,976,619	-	1,976,619
Charges for services	29,276	-	29,276
Other revenues	98,476	-	98,476
Total Revenues	2,423,816	206	2,424,022
EXPENDITURES			
Current:			
General government	105,994	-	105,994
Public safety	139,329	-	139,329
Transportation	1,469,516	1,835	1,471,351
Community development	27,072	-	27,072
Capital outlay	234,676	-	234,676
Total Expenditures	1,976,587	1,835	1,978,422
Excess of Revenues Over (Under) Expenditures	447,229	(1,629)	445,600
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(148,730)	-	(148,730)
Total Other Financing Sources (Uses)	(148,730)	-	(148,730)
Net Change in Fund Balances	298,499	(1,629)	296,870
Fund Balances - Beginning	1,681,219	917,305	2,598,524
Fund Balances - Ending	\$ 1,979,718	\$ 915,676	\$ 2,895,394

Nonmajor Governmental Funds

- **Special Revenue Funds**

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CITY OF AUBURN
Nonmajor Special Revenue Funds

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

State Gas Tax Fund

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

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. The financing from State and Federal programs helps to build and maintain the street transportation and storm drain network.

Transit Fund

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

Property Seizures Fund

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

Maidu Fire Station Fund

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

HOME Housing Rehabilitation & First Time Homebuyer Fund

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

Small Business Loans (Community Development Block Grant) Fund

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

Solid Waste Management Fund

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

CITY OF AUBURN
Nonmajor Special Revenue Funds

Office of Traffic Safety Grant Fund

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

State Law Enforcement Personnel Grant Fund

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

Facilities and Equipment Plan Fund

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

Miscellaneous Grant Funds

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

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CITY OF AUBURN
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013

	<u>State Gas Tax</u>	<u>Transportation</u>	<u>Transit</u>	<u>Property Seizures</u>	<u>Maidu Fire Station</u>
ASSETS					
Cash and investments	\$ 110,276	\$ 443,306	\$ 227,965	\$ 92,918	\$ 37,875
Receivables:					
Accounts	-	-	-	-	-
Taxes	53,930	-	-	-	-
Intergovernmental	-	69,338	8,408	-	-
Due from other funds	-	-	-	-	-
Prepaid costs	-	-	3,052	-	-
Restricted cash and investments	-	-	-	-	-
Loans receivable	-	-	-	-	-
Total Assets	<u>\$ 164,206</u>	<u>\$ 512,644</u>	<u>\$ 239,425</u>	<u>\$ 92,918</u>	<u>\$ 37,875</u>
LIABILITIES					
Accounts payable	\$ 18,340	\$ 143,020	\$ 8,198	\$ -	\$ -
Accrued salaries and benefits	-	-	10,859	-	-
Due to other funds	3,000	-	-	-	-
Unearned revenue	-	369,624	220,368	-	-
Total Liabilities	<u>21,340</u>	<u>512,644</u>	<u>239,425</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	3,052	-	-
Restricted	142,866	-	-	92,918	37,875
Unassigned	-	-	(3,052)	-	-
Total Fund Balances	<u>142,866</u>	<u>-</u>	<u>-</u>	<u>92,918</u>	<u>37,875</u>
Total Liabilities and Fund Balances	<u>\$ 164,206</u>	<u>\$ 512,644</u>	<u>\$ 239,425</u>	<u>\$ 92,918</u>	<u>\$ 37,875</u>

HOME Housing Rehabilitation & First Time Homebuyer	Small Business Loans	Solid Waste Management	Office of Traffic Safety Grant	State Law Enforcement Grant	Facilities and Equipment	Miscellaneous Grants	Totals
\$ -	\$ 143,002	\$ 30,780	\$ -	\$ -	\$ 209,105	\$ 81,969	\$ 1,377,196
-	1,929	-	-	-	-	2,150	4,079
-	-	33,953	-	-	-	-	87,883
-	-	5,000	-	31,715	-	-	114,461
-	130,365	-	-	-	-	-	130,365
-	-	-	-	-	-	-	3,052
-	-	705,580	-	-	-	-	705,580
300,455	291,054	-	-	-	-	-	591,509
<u>\$ 300,455</u>	<u>\$ 566,350</u>	<u>\$ 775,313</u>	<u>\$ -</u>	<u>\$ 31,715</u>	<u>\$ 209,105</u>	<u>\$ 84,119</u>	<u>\$ 3,014,125</u>
\$ 9,634	\$ 14,641	\$ -	\$ -	\$ -	\$ 74,073	\$ -	\$ 267,906
-	-	-	-	-	-	-	10,859
130,935	-	-	-	31,715	-	-	165,650
-	-	-	-	-	-	-	589,992
140,569	14,641	-	-	31,715	74,073	-	1,034,407
-	-	-	-	-	-	-	3,052
159,886	551,709	775,313	-	-	135,032	84,119	1,979,718
-	-	-	-	-	-	-	(3,052)
159,886	551,709	775,313	-	-	135,032	84,119	1,979,718
<u>\$ 300,455</u>	<u>\$ 566,350</u>	<u>\$ 775,313</u>	<u>\$ -</u>	<u>\$ 31,715</u>	<u>\$ 209,105</u>	<u>\$ 84,119</u>	<u>\$ 3,014,125</u>

CITY OF AUBURN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2013

	State Gas Tax	Transportation	Transit	Property Seizures	Maidu Fire Station
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Use of money and property	139	(386)	(473)	-	-
Intergovernmental	314,666	869,090	478,331	-	-
Charges for services	-	-	29,276	-	-
Other revenues	-	-	-	92,207	-
Total Revenues	314,805	868,704	507,134	92,207	-
EXPENDITURES					
Current:					
General government	-	-	-	1	-
Public safety	-	-	-	-	-
Transportation	359,951	671,654	437,911	-	-
Community development	-	-	-	-	-
Capital outlay	-	187,260	47,416	-	-
Total Expenditures	359,951	858,914	485,327	1	-
Excess of Revenues Over (Under) Expenditures	(45,146)	9,790	21,807	92,206	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(9,790)	(9,790)	(21,807)	-	-
Total Other Financing Sources (Uses)	(9,790)	(9,790)	(21,807)	-	-
Net Change in Fund Balance	(54,936)	-	-	92,206	-
Fund Balances - Beginning	197,802	-	-	712	37,875
Fund Balances - Ending	\$ 142,866	\$ -	\$ -	\$ 92,918	\$ 37,875

HOME Housing Rehabilitation & First Time Homebuyer	Small Business Loans	Solid Waste Management	Office of Traffic Safety Grant	State Law Enforcement Grant	Facilities and Equipment	Miscellaneous Grants	Totals
\$ -	\$ -	\$ 133,618	\$ -	\$ -	\$ -	\$ -	\$ 133,618
-	-	-	-	-	187,000	-	187,000
(140)	225	(180)	-	-	(358)	-	(1,173)
161,366	-	5,000	12,396	100,000	-	35,770	1,976,619
-	-	-	-	-	-	-	29,276
-	6,269	-	-	-	-	-	98,476
<u>161,226</u>	<u>6,494</u>	<u>138,438</u>	<u>12,396</u>	<u>100,000</u>	<u>186,642</u>	<u>35,770</u>	<u>2,423,816</u>
-	-	-	12,396	-	93,597	-	105,994
-	-	136,476	-	-	-	2,853	139,329
-	-	-	-	-	-	-	1,469,516
238	26,834	-	-	-	-	-	27,072
-	-	-	-	-	-	-	234,676
<u>238</u>	<u>26,834</u>	<u>136,476</u>	<u>12,396</u>	<u>-</u>	<u>93,597</u>	<u>2,853</u>	<u>1,976,587</u>
<u>160,988</u>	<u>(20,340)</u>	<u>1,962</u>	<u>-</u>	<u>100,000</u>	<u>93,045</u>	<u>32,917</u>	<u>447,229</u>
-	-	-	-	-	-	-	-
-	-	-	-	(100,000)	(7,343)	-	(148,730)
-	-	-	-	(100,000)	(7,343)	-	(148,730)
160,988	(20,340)	1,962	-	-	85,702	32,917	298,499
(1,102)	572,049	773,351	-	-	49,330	51,202	1,681,219
<u>\$ 159,886</u>	<u>\$ 551,709</u>	<u>\$ 775,313</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,032</u>	<u>\$ 84,119</u>	<u>\$ 1,979,718</u>

CITY OF AUBURN
Budgetary Comparison Schedule
State Gas Tax - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 1,500	\$ 1,200	\$ 139	\$ (1,061)
Intergovernmental	358,894	343,754	314,666	(29,088)
Total Revenues	<u>360,394</u>	<u>344,954</u>	<u>314,805</u>	<u>(30,149)</u>
EXPENDITURES				
Current:				
Transportation	332,500	342,500	359,951	(17,451)
Capital outlay	108,000	117,790	-	117,790
Total Expenditures	<u>440,500</u>	<u>460,290</u>	<u>359,951</u>	<u>100,339</u>
Excess of Revenues Over (Under) Expenditures	<u>(80,106)</u>	<u>(115,336)</u>	<u>(45,146)</u>	<u>70,190</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(9,790)	(9,790)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(9,790)</u>	<u>(9,790)</u>
Net Change in Fund Balance	(80,106)	(115,336)	(54,936)	60,400
Fund Balances - Beginning	<u>197,802</u>	<u>197,802</u>	<u>197,802</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 117,696</u>	<u>\$ 82,466</u>	<u>\$ 142,866</u>	<u>\$ 60,400</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Transportation - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 500	\$ 2,000	\$ (386)	\$ (2,386)
Intergovernmental	1,623,529	1,679,782	869,090	(810,692)
Total Revenues	<u>1,624,029</u>	<u>1,681,782</u>	<u>868,704</u>	<u>(813,078)</u>
EXPENDITURES				
Current:				
Transportation	45,750	45,750	671,654	(625,904)
Capital outlay	2,340,268	2,416,633	187,260	2,229,373
Total Expenditures	<u>2,386,018</u>	<u>2,462,383</u>	<u>858,914</u>	<u>1,603,469</u>
Excess of Revenues Over (Under) Expenditures	<u>(761,989)</u>	<u>(780,601)</u>	<u>9,790</u>	<u>790,391</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	346,388	346,388	-	(346,388)
Transfers out	-	-	(9,790)	(9,790)
Total Other Financing Sources (Uses)	<u>346,388</u>	<u>346,388</u>	<u>(9,790)</u>	<u>(356,178)</u>
Net Change in Fund Balance	<u>(415,601)</u>	<u>(434,213)</u>	<u>-</u>	<u>434,213</u>
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (415,601)</u>	<u>\$ (434,213)</u>	<u>\$ -</u>	<u>\$ 434,213</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Transit - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ 100	\$ (473)	\$ (573)
Intergovernmental	316,249	408,513	478,331	69,818
Charges for services	-	-	29,276	29,276
Total Revenues	<u>316,249</u>	<u>408,613</u>	<u>507,134</u>	<u>98,521</u>
EXPENDITURES				
Current:				
Transportation	353,762	358,762	437,911	(79,149)
Debt service	14,000	14,000	-	14,000
Capital outlay	-	60,913	47,416	13,497
Total Expenditures	<u>367,762</u>	<u>433,675</u>	<u>485,327</u>	<u>(51,652)</u>
Excess of Revenues Over (Under) Expenditures	<u>(51,513)</u>	<u>(25,062)</u>	<u>21,807</u>	<u>46,869</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(7,807)	(7,807)	(21,807)	(14,000)
Total Other Financing Sources (Uses)	<u>(7,807)</u>	<u>(7,807)</u>	<u>(21,807)</u>	<u>(14,000)</u>
Net Change in Fund Balance	(59,320)	(32,869)	-	32,869
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	<u>\$ (59,320)</u>	<u>\$ (32,869)</u>	<u>\$ -</u>	<u>\$ 32,869</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Property Seizures - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Other revenues	\$ -	\$ 92,207	\$ 92,207	\$ -
Total Revenues	<u>-</u>	<u>92,207</u>	<u>92,207</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	1	(1)
Total Expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>(1)</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>92,207</u>	<u>92,206</u>	<u>(1)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>92,207</u>	<u>92,206</u>	<u>(1)</u>
Fund Balances - Beginning	<u>712</u>	<u>712</u>	<u>712</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 712</u>	<u>\$ 92,919</u>	<u>\$ 92,918</u>	<u>\$ (1)</u>

CITY OF AUBURN
Budgetary Comparison Schedule
HOME Housing Rehabilitation & First Time Homebuyer - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ (140)	\$ (140)
Intergovernmental	-	-	161,366	161,366
Other revenues	275,000	289,500	-	(289,500)
Total Revenues	<u>275,000</u>	<u>289,500</u>	<u>161,226</u>	<u>(128,274)</u>
EXPENDITURES				
Current:				
Community development	275,000	254,768	238	254,530
Total Expenditures	<u>275,000</u>	<u>254,768</u>	<u>238</u>	<u>254,530</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>34,732</u>	<u>160,988</u>	<u>126,256</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>34,732</u>	<u>160,988</u>	<u>126,256</u>
Fund Balances - Beginning	<u>(1,102)</u>	<u>(1,102)</u>	<u>(1,102)</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (1,102)</u>	<u>\$ 33,630</u>	<u>\$ 159,886</u>	<u>\$ 126,256</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Small Business Loans - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 3,500	\$ 3,500	\$ 225	\$ (3,275)
Other revenues	64,000	64,000	6,269	(57,731)
Total Revenues	<u>67,500</u>	<u>67,500</u>	<u>6,494</u>	<u>(61,006)</u>
EXPENDITURES				
Current:				
Community development	185,000	230,000	26,834	203,166
Total Expenditures	<u>185,000</u>	<u>230,000</u>	<u>26,834</u>	<u>203,166</u>
Excess of Revenues Over (Under) Expenditures	<u>(117,500)</u>	<u>(162,500)</u>	<u>(20,340)</u>	<u>142,160</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(117,500)	(162,500)	(20,340)	142,160
Fund Balances - Beginning	<u>572,049</u>	<u>572,049</u>	<u>572,049</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 454,549</u>	<u>\$ 409,549</u>	<u>\$ 551,709</u>	<u>\$ 142,160</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Solid Waste Management - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 133,000	\$ 133,000	\$ 133,618	\$ 618
Use of money and property	11,000	8,500	(180)	(8,680)
Intergovernmental	5,000	5,000	5,000	-
Total Revenues	<u>149,000</u>	<u>146,500</u>	<u>138,438</u>	<u>(8,062)</u>
EXPENDITURES				
Current:				
Public safety	186,000	196,000	136,476	59,524
Total Expenditures	<u>186,000</u>	<u>196,000</u>	<u>136,476</u>	<u>59,524</u>
Excess of Revenues Over (Under) Expenditures	<u>(37,000)</u>	<u>(49,500)</u>	<u>1,962</u>	<u>51,462</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	<u>(37,000)</u>	<u>(49,500)</u>	<u>1,962</u>	<u>51,462</u>
Fund Balances - Beginning	<u>773,351</u>	<u>773,351</u>	<u>773,351</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 736,351</u>	<u>\$ 723,851</u>	<u>\$ 775,313</u>	<u>\$ 51,462</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Office of Traffic Safety - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ 20,000	\$ 12,396	\$ (7,604)
Total Revenues	<u>-</u>	<u>20,000</u>	<u>12,396</u>	<u>(7,604)</u>
EXPENDITURES				
Current:				
General government	-	20,000	12,396	7,604
Total Expenditures	<u>-</u>	<u>20,000</u>	<u>12,396</u>	<u>7,604</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF AUBURN
Budgetary Comparison Schedule
State Law Enforcement Grant - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

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

CITY OF AUBURN
Budgetary Comparison Schedule
Facilities and Equipment - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and permits	\$ 15,000	\$ 179,000	\$ 187,000	\$ 8,000
Use of money and property	500	800	(358)	(1,158)
Total Revenues	<u>15,500</u>	<u>179,800</u>	<u>186,642</u>	<u>6,842</u>
EXPENDITURES				
Current:				
General government	250	250	93,597	(93,347)
Capital outlay	10,000	18,500	-	18,500
Total Expenditures	<u>10,250</u>	<u>18,750</u>	<u>93,597</u>	<u>(74,847)</u>
Excess of Revenues Over (Under) Expenditures	<u>5,250</u>	<u>161,050</u>	<u>93,045</u>	<u>(68,005)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(7,343)	(7,343)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(7,343)</u>	<u>(7,343)</u>
Net Changes in Fund Balance	5,250	161,050	85,702	(75,348)
Fund Balances - Beginning	<u>49,330</u>	<u>49,330</u>	<u>49,330</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 54,580</u>	<u>\$ 210,380</u>	<u>\$ 135,032</u>	<u>\$ (75,348)</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Miscellaneous Grants - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 5,000	\$ 36,612	\$ 35,770	\$ (842)
Total Revenues	<u>5,000</u>	<u>36,612</u>	<u>35,770</u>	<u>(842)</u>
EXPENDITURES				
Current:				
Public safety	<u>15,000</u>	<u>16,126</u>	<u>2,853</u>	<u>13,273</u>
Total Expenditures	<u>15,000</u>	<u>16,126</u>	<u>2,853</u>	<u>13,273</u>
Excess of Revenues Over (Under) Expenditures	<u>(10,000)</u>	<u>20,486</u>	<u>32,917</u>	<u>12,431</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(10,000)</u>	<u>20,486</u>	<u>32,917</u>	<u>12,431</u>
Fund Balances - Beginning	<u>51,202</u>	<u>51,202</u>	<u>51,202</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 41,202</u>	<u>\$ 71,688</u>	<u>\$ 84,119</u>	<u>\$ 12,431</u>

Nonmajor Governmental Funds

- **Capital Projects Funds**

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CITY OF AUBURN
Nonmajor Capital Projects Funds

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

Auburn School Park Preserve Fund

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

Highway 49 Beautification Plan Fund

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

Project Fund

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

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CITY OF AUBURN
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2013

	Auburn School Park Preserve	Hwy 49 Beautification	Project Fund	Totals
ASSETS				
Cash and investments	\$ -	\$ -	\$ 1,313,425	\$ 1,313,425
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,313,425</u>	<u>\$ 1,313,425</u>
LIABILITIES				
Deposits payable	\$ -	\$ 1,318	\$ -	\$ 1,318
Due to other funds	396,431	-	-	396,431
Total Liabilities	<u>396,431</u>	<u>1,318</u>	<u>-</u>	<u>397,749</u>
FUND BALANCES				
Restricted	-	-	1,313,425	1,313,425
Unassigned	(396,431)	(1,318)	-	(397,749)
Total Fund Balances	<u>(396,431)</u>	<u>(1,318)</u>	<u>1,313,425</u>	<u>915,676</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,313,425</u>	<u>\$ 1,313,425</u>

CITY OF AUBURN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2013

	Auburn School Park Preserve	Hwy 49 Beautification	Project Fund	Totals
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 974	\$ 974
Use of money and property	-	-	(768)	(768)
Total Revenues	-	-	206	206
EXPENDITURES				
Current:				
Transportation	-	-	1,835	1,835
Total Expenditures	-	-	1,835	1,835
Excess of Revenues Over (Under) Expenditures	-	-	(1,629)	(1,629)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	(1,629)	(1,629)
Fund Balances - Beginning	(396,431)	(1,318)	1,315,054	917,305
Fund Balances - Ending	\$ (396,431)	\$ (1,318)	\$ 1,313,425	\$ 915,676

CITY OF AUBURN
Budgetary Comparison Schedule
Auburn School Park Preserve - Nonmajor Capital Projects Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 396,431	\$ 396,431	\$ -	\$ (396,431)
Total Revenues	<u>396,431</u>	<u>396,431</u>	<u>-</u>	<u>(396,431)</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>396,431</u>	<u>396,431</u>	<u>-</u>	<u>(396,431)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	<u>396,431</u>	<u>396,431</u>	<u>-</u>	<u>(396,431)</u>
Fund Balances - Beginning	<u>(396,431)</u>	<u>(396,431)</u>	<u>(396,431)</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (396,431)</u></u>	<u><u>\$ (396,431)</u></u>

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Fiduciary Funds

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CITY OF AUBURN

Fiduciary Funds

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

Other Employee Benefit Trust Fund

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

Private Purpose Trust Funds

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

Merchant's Council

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

Historic Auburn

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

Signature Theatre Sewer District

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

Southwest Specific Plan

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

Successor Agency to the Auburn Urban Development Authority

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

Agency Funds

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

Cable TV Access Fees

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

Fire Safety Council

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

Recreation Park Development

This fund collects monies for recreation and park development.

Placer County Facilities Fee

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

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

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CITY OF AUBURN
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2013

	Merchant's Council	Historic Auburn	Signature Theatre Sewer District	Southwest Specific Plan
ASSETS				
Cash and investments	\$ 5,286	\$ 3,055	\$ 115	\$ 6,452
Due from other funds	-	-	-	-
Capital assets:				
Non-depreciable	-	-	-	-
Total Assets	\$ 5,286	\$ 3,055	\$ 115	\$ 6,452
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interest payable	-	-	-	-
Due to other funds	-	-	-	-
Long-term debt:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total Liabilities	-	-	-	-
NET POSITION				
Net position held in trust	5,286	3,055	115	6,452
Total Net Position	\$ 5,286	\$ 3,055	\$ 115	\$ 6,452

Successor Agency to the Auburn Urban Development Authority			Total Private Purpose Trust Funds
Debt Service	Housing	Projects	
\$ 299,982	\$ -	\$ -	\$ 314,890
39,018	-	-	39,018
-	350,000	-	350,000
<u>\$ 339,000</u>	<u>\$ 350,000</u>	<u>\$ -</u>	<u>\$ 703,908</u>
\$ -	\$ -	\$ 293	\$ 293
21,012	-	-	21,012
-	-	39,018	39,018
81,577	-	-	81,577
<u>4,152,861</u>	<u>-</u>	<u>-</u>	<u>4,152,861</u>
<u>4,255,450</u>	<u>-</u>	<u>39,311</u>	<u>4,294,761</u>
<u>(3,916,450)</u>	<u>350,000</u>	<u>(39,311)</u>	<u>(3,590,853)</u>
<u>\$ (3,916,450)</u>	<u>\$ 350,000</u>	<u>\$ (39,311)</u>	<u>\$ (3,590,853)</u>

CITY OF AUBURN
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2013

	Merchant's Council	Historic Auburn	Signature Theatre Sewer District	Southwest Specific Plan
ADDITIONS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Interest and investment income	-	-	-	(5)
Other contributions	35,092	23,771	-	-
Total Additions	35,092	23,771	-	(5)
DEDUCTIONS				
Distributions to participants	30,746	25,944	-	5
Program expenses of former redevelopment agency	-	-	-	-
Interest expense	-	-	-	-
Amortization	-	-	-	-
Total Deductions	30,746	25,944	-	5
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in Net Position	4,346	(2,173)	-	(10)
Net Position - Beginning	940	5,228	115	6,462
Cumulative effect of a change in accounting principle	-	-	-	-
Net Position - Beginning, Restated	940	5,228	115	6,462
Net Position - Ending	\$ 5,286	\$ 3,055	\$ 115	\$ 6,452

Successor Agency to the Auburn Urban Development Authority			Total Private Purpose Trust Funds
Debt Service	Housing	Projects	
\$ -	\$ -	\$ 384,470	\$ 384,470
-	-	9,774	9,769
-	-	-	58,863
-	-	394,244	453,102
-	-	-	56,695
-	909,617	118,369	1,027,986
255,029	-	-	255,029
3,423	-	-	3,423
258,452	909,617	118,369	1,343,133
335,294	-	-	335,294
-	-	(335,294)	(335,294)
76,842	(909,617)	(59,419)	(890,031)
(3,901,579)	1,259,617	20,108	(2,609,109)
(91,713)	-	-	(91,713)
(3,993,292)	1,259,617	20,108	(2,700,822)
<u>\$ (3,916,450)</u>	<u>\$ 350,000</u>	<u>\$ (39,311)</u>	<u>\$ (3,590,853)</u>

CITY OF AUBURN
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2013

	<u>Cable TV Access Fees</u>	<u>Fire Safety Council</u>	<u>Recreation Park Development</u>	<u>Placer County Facilities Fee</u>
ASSETS				
Cash and investments	\$ -	\$ 50	\$ 10,351	\$ 14,639
Receivables:				
Accounts	7,982	-	-	-
Intergovernmental	-	-	-	-
Total Assets	<u>\$ 7,982</u>	<u>\$ 50</u>	<u>\$ 10,351</u>	<u>\$ 14,639</u>
LIABILITIES				
Accounts payable	\$ 4,958	\$ -	\$ 425	\$ 12,361
Agency obligations	3,024	50	9,926	2,278
Total Liabilities	<u>\$ 7,982</u>	<u>\$ 50</u>	<u>\$ 10,351</u>	<u>\$ 14,639</u>

Payroll Clearing	Total Agency Funds
\$ 19,554	\$ 44,594
-	7,982
<u>5,050</u>	<u>5,050</u>
<u>\$ 24,604</u>	<u>\$ 57,626</u>
\$ 6,997	\$ 24,741
17,607	32,885
<u>\$ 24,604</u>	<u>\$ 57,626</u>

CITY OF AUBURN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2013

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
CABLE TV ACCESS FEES				
ASSETS				
Cash and investments	\$ 7,589	\$ -	\$ 7,589	\$ -
Receivables:				
Accounts	7,549	433	-	7,982
Total Assets	<u>\$ 15,138</u>	<u>\$ 433</u>	<u>\$ 7,589</u>	<u>\$ 7,982</u>
LIABILITIES				
Accounts payable	\$ 4,958	\$ -	\$ -	\$ 4,958
Agency obligations	10,180	-	7,156	3,024
Total Liabilities	<u>\$ 15,138</u>	<u>\$ -</u>	<u>\$ 7,156</u>	<u>\$ 7,982</u>
FIRE SAFETY COUNCIL				
ASSETS				
Cash and investments	\$ 50	\$ -	\$ -	\$ 50
Total Assets	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>
LIABILITIES				
Agency obligations	\$ 50	\$ -	\$ -	\$ 50
Total Liabilities	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>
RECREATION PARK DEVELOPMENT				
ASSETS				
Cash and investments	\$ 14,080	\$ -	\$ 3,729	\$ 10,351
Total Assets	<u>\$ 14,080</u>	<u>\$ -</u>	<u>\$ 3,729</u>	<u>\$ 10,351</u>
LIABILITIES				
Accounts payable	\$ 425	\$ -	\$ -	\$ 425
Agency obligations	13,655	-	3,729	9,926
Total Liabilities	<u>\$ 14,080</u>	<u>\$ -</u>	<u>\$ 3,729</u>	<u>\$ 10,351</u>
PLACER COUNTY FACILITIES FEE				
ASSETS				
Cash and investments	\$ 15,127	\$ -	\$ 488	\$ 14,639
Total Assets	<u>\$ 15,127</u>	<u>\$ -</u>	<u>\$ 488</u>	<u>\$ 14,639</u>
LIABILITIES				
Accounts payable	\$ -	\$ 12,361	\$ -	\$ 12,361
Agency obligations	15,127	-	12,849	2,278
Total Liabilities	<u>\$ 15,127</u>	<u>\$ 12,361</u>	<u>\$ 12,849</u>	<u>\$ 14,639</u>

CITY OF AUBURN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
PAYROLL CLEARING				
ASSETS				
Cash and investments	\$ (15,069)	\$ 34,623	\$ -	\$ 19,554
Receivables:				
Intergovernmental	5,050	-	-	5,050
Total Assets	<u>\$ (10,019)</u>	<u>\$ 34,623</u>	<u>\$ -</u>	<u>\$ 24,604</u>
LIABILITIES				
Accounts payable	\$ 9,222	\$ -	\$ 2,225	\$ 6,997
Agency obligations	(19,241)	36,848	-	17,607
Total Liabilities	<u>\$ (10,019)</u>	<u>\$ 36,848</u>	<u>\$ 2,225</u>	<u>\$ 24,604</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 21,777	\$ 34,623	\$ 11,806	44,594
Receivables:				
Accounts	7,549	433	-	7,982
Intergovernmental	5,050	-	-	5,050
Total Assets	<u>\$ 34,376</u>	<u>\$ 35,056</u>	<u>\$ 11,806</u>	<u>\$ 57,626</u>
LIABILITIES				
Accounts payable	\$ 14,605	\$ 12,361	\$ 2,225	\$ 24,741
Agency obligations	19,771	36,848	23,734	32,885
Total Liabilities	<u>\$ 34,376</u>	<u>\$ 49,209</u>	<u>\$ 25,959</u>	<u>\$ 57,626</u>

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STATISTICAL SECTION

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CITY OF AUBURN

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Governmental Activities				
Net investment in capital assets	\$ 9,219,557	\$ 11,455,672	\$ 12,112,065	\$ 13,711,814
Restricted	2,459,174	2,472,114	3,897,934	4,662,291
Unrestricted	3,127,481	3,826,830	4,049,964	2,001,513
Total governmental activities net position	\$ 14,806,212	\$ 17,754,616	\$ 20,059,963	\$ 20,375,618
Business-Type Activities				
Net investment in capital assets	\$ 14,206,489	\$ 14,150,118	\$ 14,898,745	\$ 16,775,408
Restricted	-	41,840	41,840	13,250
Unrestricted	4,858,983	5,125,958	4,566,907	3,567,844
Total business-type activities net position	\$ 19,065,472	\$ 19,317,916	\$ 19,507,492	\$ 20,356,502
Primary Government				
Net investment in capital assets	\$ 23,426,046	\$ 25,605,790	\$ 27,010,810	\$ 30,487,222
Restricted	2,459,174	2,513,954	3,939,774	4,675,541
Unrestricted	7,986,464	8,952,788	8,616,871	5,569,357
Total primary government net position	\$ 33,871,684	\$ 37,072,532	\$ 39,567,455	\$ 40,732,120

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
\$ 14,935,931	\$ 19,336,184	\$ 18,886,386	\$ 17,508,894	\$ 21,555,502	\$ 20,966,807
3,653,807	8,114,974	6,541,853	5,089,610	3,000,169	3,296,195
2,860,462	(3,166,820)	(1,943,195)	214,035	311,924	812,150
<u>\$ 21,450,200</u>	<u>\$ 24,284,338</u>	<u>\$ 23,485,044</u>	<u>\$ 22,812,539</u>	<u>\$ 24,867,595</u>	<u>\$ 25,075,152</u>
\$ 16,307,102	\$ 17,671,003	\$ 19,008,750	\$ 16,358,353	\$ 17,106,731	\$ 18,226,969
-	-	559,262	559,263	559,263	559,263
5,089,154	4,871,695	4,603,714	9,075,908	9,180,877	9,238,584
<u>\$ 21,396,256</u>	<u>\$ 22,542,698</u>	<u>\$ 24,171,726</u>	<u>\$ 25,993,524</u>	<u>\$ 26,846,871</u>	<u>\$ 28,024,816</u>
\$ 31,243,033	\$ 37,007,187	\$ 37,895,136	\$ 33,867,247	\$ 38,662,233	\$ 39,193,776
3,653,807	8,114,974	7,101,115	5,648,873	3,559,432	3,855,458
7,949,616	1,704,875	2,660,519	9,289,943	9,492,801	10,050,734
<u>\$ 42,846,456</u>	<u>\$ 46,827,036</u>	<u>\$ 47,656,770</u>	<u>\$ 48,806,063</u>	<u>\$ 51,714,466</u>	<u>\$ 53,099,968</u>

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

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Expenses				
Governmental Activities:				
General government	\$ 1,835,478	\$ 2,058,232	\$ 1,783,691	\$ 2,325,979
Public safety	4,619,641	4,745,520	5,385,966	5,916,568
Transportation	1,713,258	1,136,527	2,691,900	4,343,717
Community development	593,072	948,515	1,483,471	1,748,798
Recreation and culture	-	-	18,308	20,654
Interest on long-term debt	173,235	48,009	50,740	575,295
Total Governmental Activities Expenses	<u>8,934,684</u>	<u>8,936,803</u>	<u>11,414,076</u>	<u>14,931,011</u>
Business-Type Activities				
Airport	610,851	641,157	774,459	740,501
Sewer	2,488,911	2,276,655	2,852,847	3,132,068
Total Business-Type Activities Expenses	<u>3,099,762</u>	<u>2,917,812</u>	<u>3,627,306</u>	<u>3,872,569</u>
Total Primary Government Expenses	<u>\$ 12,034,446</u>	<u>\$ 11,854,615</u>	<u>\$ 15,041,382</u>	<u>\$ 18,803,580</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$ 589,308	\$ 711,105	\$ 1,538,236	\$ 391,510
Public safety	663,715	642,003	9,660	167,362
Transportation	211,933	315,400	27,528	97,042
Community development	416,660	413,458	-	513,221
Recreation and culture	-	-	-	19,885
Operating grants and contributions	2,028,080	1,483,658	2,378,837	2,543,309
Capital grants and contributions	1,935,210	201,773	684,447	1,284,923
Total Governmental Activities Program Revenues	<u>5,844,906</u>	<u>3,767,397</u>	<u>4,638,708</u>	<u>5,017,252</u>
Business-Type Activities:				
Charges for services:				
Airport	71,800	104,223	113,472	14,887
Sewer	2,941,660	2,773,504	2,941,471	2,861,434
Operating grants and contributions	-	-	-	49,500
Capital grants and contributions	611,500	61,586	238,136	1,063,925
Total Business-Type Activities Program Revenues	<u>3,624,960</u>	<u>2,939,313</u>	<u>3,293,079</u>	<u>3,989,746</u>
Total Primary Government Program Revenues	<u>\$ 9,469,866</u>	<u>\$ 6,706,710</u>	<u>\$ 7,931,787</u>	<u>\$ 9,006,998</u>

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
\$ 2,067,619	\$ 1,741,542	\$ 1,735,630	\$ 1,340,063	\$ 1,678,027	\$ 1,890,167
5,866,706	6,066,740	5,503,174	5,147,639	5,139,270	5,421,554
3,165,262	2,592,016	2,926,324	3,254,955	2,766,145	3,508,302
1,443,691	1,490,980	1,326,272	881,511	670,701	693,696
17,586	33,292	36,339	-	-	-
301,594	475,274	276,751	539,949	360,834	266,979
<u>12,862,458</u>	<u>12,399,844</u>	<u>11,804,490</u>	<u>11,164,117</u>	<u>10,614,977</u>	<u>11,780,698</u>
615,186	574,112	604,719	551,423	647,973	666,373
<u>3,561,773</u>	<u>3,432,180</u>	<u>3,433,579</u>	<u>3,543,183</u>	<u>4,128,331</u>	<u>4,108,614</u>
<u>4,176,959</u>	<u>4,006,292</u>	<u>4,038,298</u>	<u>4,094,606</u>	<u>4,776,304</u>	<u>4,774,987</u>
<u>\$ 17,039,417</u>	<u>\$ 16,406,136</u>	<u>\$ 15,842,788</u>	<u>\$ 15,258,723</u>	<u>\$ 15,391,281</u>	<u>\$ 16,555,685</u>
\$ 797,693	\$ 749,498	\$ 496,199	\$ 593,738	\$ 548,326	\$ 810,080
279,340	369,292	120,660	30,726	30,093	25,249
137,199	72,560	65,710	225,045	243,660	284,103
325,663	209,542	303,883	-	-	-
18,825	34,563	34,358	-	-	-
1,557,120	2,536,633	1,154,715	1,700,882	1,115,106	2,565,297
1,313,832	2,801,230	1,257,311	490,889	492,234	2,468
<u>4,429,672</u>	<u>6,773,318</u>	<u>3,432,836</u>	<u>3,041,280</u>	<u>2,429,419</u>	<u>3,687,197</u>
556,139	566,954	834,189	526,017	611,558	630,290
4,386,520	4,334,075	4,635,541	4,635,853	4,899,585	5,388,670
26,775	6,350	2,986	609,843	1,553	77,692
34,824	-	-	-	-	-
<u>5,004,258</u>	<u>4,907,379</u>	<u>5,472,716</u>	<u>5,771,713</u>	<u>5,512,696</u>	<u>6,096,652</u>
<u>\$ 9,433,930</u>	<u>\$ 11,680,697</u>	<u>\$ 8,905,552</u>	<u>\$ 8,812,993</u>	<u>\$ 7,942,115</u>	<u>\$ 9,783,849</u>

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

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Net (Expense)/Revenue¹				
Governmental activities	\$ (3,089,778)	\$ (5,169,406)	\$ (6,775,368)	\$ (9,913,759)
Business-type activities	525,198	21,501	(334,227)	117,177
Total Primary Government Net Expense	\$ (2,564,580)	\$ (5,147,905)	\$ (7,109,595)	\$ (9,796,582)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$ 2,258,103	\$ 3,256,499	\$ 3,682,204	\$ 4,085,695
Sales and use taxes	2,776,035	2,605,488	2,922,367	3,005,226
In-lieu sales taxes	-	686,335	980,145	1,376,879
Franchise taxes	592,670	599,725	620,185	648,170
Transient occupancy taxes	215,627	215,627	220,388	224,755
Other taxes	78,337	148,973	128,215	92,262
Grants and contributions - unrestricted	-	-	-	-
Rents	293,459	316,959	297,896	312,911
Interest and investment earnings	75,681	153,018	198,507	379,293
Miscellaneous	-	-	33,988	102,009
Transfers	36,914	135,186	(3,180)	2,214
Extraordinary gain	-	-	-	-
Total Governmental Activities	6,326,826	8,117,810	9,080,715	10,229,414
Business-Type Activities				
Property taxes	43,772	53,456	41,764	32,634
Rents	324,546	347,803	331,784	459,851
Interest and investment earnings	47,647	(35,130)	126,004	241,562
Miscellaneous	-	-	-	-
Transfers	(36,914)	(135,186)	3,180	(2,214)
Total Business-Type Activities	379,051	230,943	502,732	731,833
Total Primary Government	\$ 6,705,877	\$ 8,348,753	\$ 9,583,447	\$ 10,961,247
Change in Net Position				
Governmental activities	\$ 3,237,048	\$ 2,948,404	\$ 2,305,347	\$ 315,655
Business-type activities	904,249	252,444	168,505	849,010
Total Primary Government	\$ 4,141,297	\$ 3,200,848	\$ 2,473,852	\$ 1,164,665

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

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
\$ (8,432,786)	\$ (5,626,526)	\$ (8,371,654)	\$ (8,122,837)	\$ (8,185,558)	\$ (8,093,501)
827,299	901,087	1,434,418	1,677,107	736,392	1,321,665
<u>\$ (7,605,487)</u>	<u>\$ (4,725,439)</u>	<u>\$ (6,937,236)</u>	<u>\$ (6,445,730)</u>	<u>\$ (7,449,166)</u>	<u>\$ (6,771,836)</u>
\$ 4,195,552	\$ 4,064,058	\$ 3,816,117	\$ 3,454,566	\$ 3,177,351	\$ 3,097,824
2,889,326	2,059,504	1,903,834	2,027,383	2,316,047	2,787,736
1,141,045	1,040,123	701,744	832,427	1,011,481	1,231,066
644,702	657,957	621,108	622,156	622,265	630,244
238,608	212,709	180,575	198,041	211,217	209,158
49,737	25,808	27,869	42,647	37,300	52,759
-	-	-	61,677	6,717	6,960
-	-	-	-	-	-
264,154	259,023	269,401	140,108	59,814	7,934
84,244	141,737	51,712	58,905	45,704	326,904
-	-	-	12,422	10,452	45,801
-	-	-	-	2,470,706	-
<u>9,507,368</u>	<u>8,460,919</u>	<u>7,572,360</u>	<u>7,450,332</u>	<u>9,969,054</u>	<u>8,396,386</u>
33,802	36,181	30,272	26,184	26,177	38,568
-	-	-	-	-	-
178,653	144,374	164,338	129,879	79,770	3,910
-	-	-	1,050	21,460	40,000
-	64,800	-	(12,422)	(10,452)	(45,801)
<u>212,455</u>	<u>245,355</u>	<u>194,610</u>	<u>144,691</u>	<u>116,955</u>	<u>36,677</u>
<u>\$ 9,719,823</u>	<u>\$ 8,706,274</u>	<u>\$ 7,766,970</u>	<u>\$ 7,595,023</u>	<u>\$ 10,086,009</u>	<u>\$ 8,433,063</u>
\$ 1,074,582	\$ 2,834,393	\$ (799,294)	\$ (672,505)	\$ 1,783,496	\$ 302,885
1,039,754	1,146,442	1,629,028	1,821,798	853,347	1,358,342
<u>\$ 2,114,336</u>	<u>\$ 3,980,835</u>	<u>\$ 829,734</u>	<u>\$ 1,149,293</u>	<u>\$ 2,636,843</u>	<u>\$ 1,661,227</u>

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

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
General Fund				
Reserved	\$ 681,845	\$ 712,214	\$ 2,364,402	\$ 1,944,442
Unreserved	3,381,247	4,161,059	2,865,763	2,834,572
Total General Fund	<u>\$ 4,063,092</u>	<u>\$ 4,873,273</u>	<u>\$ 5,230,165</u>	<u>\$ 4,779,014</u>
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ 2,338	\$ -
Unreserved, reported in:				
Special revenue funds	3,431,582	3,571,328	4,186,295	3,132,607
Debt service funds	109,657	168,566	254,166	285,509
Capital projects funds	707,465	581,596	1,038,356	1,236,642
Total All Other Governmental Funds	<u>\$ 4,248,704</u>	<u>\$ 4,321,490</u>	<u>\$ 5,481,155</u>	<u>\$ 4,654,758</u>

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

Notes:

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

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>
\$ 1,520,684	\$ 455,035	\$ 537,481
2,608,498	2,958,087	2,309,992
<u>\$ 4,129,182</u>	<u>\$ 3,413,122</u>	<u>\$ 2,847,473</u>
\$ -	\$ -	\$ 341,455
3,217,606	1,693,968	5,036,159
211,420	351,502	-
1,330,653	1,244,363	824,185
<u>\$ 4,759,679</u>	<u>\$ 3,289,833</u>	<u>\$ 6,201,799</u>

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

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Revenues				
Taxes	\$ 6,527,856	\$ 7,497,249	\$ 7,933,319	\$ 8,784,817
Franchise fees	592,670	599,725	620,185	648,170
Licenses and permits	473,012	606,469	1,065,241	775,940
Fines and forfeitures	237,535	134,882	121,808	144,568
Use of money and property	369,143	471,087	496,403	692,204
Intergovernmental	3,208,687	1,583,310	3,063,284	3,828,232
Charges for services	626,231	842,603	388,375	268,512
Other revenues	124,994	25,688	33,988	102,009
Total Revenues	12,160,128	11,761,013	13,722,603	15,244,452
Expenditures				
Current:				
General government	1,722,442	1,705,245	4,500,812	2,224,760
Public safety	4,267,351	4,606,218	7,313,153	5,742,513
Transportation	1,563,670	2,100,278	2,521,915	4,368,426
Community development	725,476	1,062,079	1,492,402	1,737,253
Recreation and culture	-	-	18,308	20,654
Capital outlay	3,291,566	1,345,115	1,477,368	1,802,529
Debt service				
Principal	2,525,952	146,282	157,725	314,909
Interest	176,208	48,009	38,181	313,170
Administrative, issuance and other costs	-	-	-	-
Total Expenditures	14,272,665	11,013,226	17,519,864	16,524,214
Excess of Revenues Over (Under) Expenditures	(2,112,537)	747,787	(3,797,261)	(1,279,762)
Other Financial Sources (Uses)				
Bonds issued	-	-	4,965,000	-
Discounts on debt issued	-	-	-	-
Capital lease	-	-	352,000	-
Transfers in	868,639	778,599	223,873	292,399
Transfers out	(831,725)	(643,414)	(227,053)	(290,185)
Issuance of debt	-	-	-	-
Total Other Financial Sources (Uses)	36,914	135,185	5,313,820	2,214
Extraordinary loss	-	-	-	-
Net Change in Fund Balances	\$ (2,075,623)	\$ 882,972	\$ 1,516,559	\$ (1,277,548)
Debt Service as a Percentage of Noncapital Expenditures	24.61%	2.24%	1.22%	4.35%

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
\$ 8,304,456	\$ 7,541,403	\$ 6,535,207	\$ 7,162,454	\$ 7,510,603	\$ 8,008,787
644,701	518,756	621,108	-	-	-
494,863	383,622	461,496	326,069	301,267	631,012
136,518	142,998	106,386	103,169	74,950	62,369
602,385	613,929	575,533	452,064	360,115	299,653
3,095,930	5,712,125	2,386,783	2,253,448	1,463,061	2,574,725
277,297	179,412	146,796	108,315	145,561	134,332
84,244	141,737	51,712	58,905	45,704	326,904
<u>13,640,394</u>	<u>15,233,982</u>	<u>10,885,021</u>	<u>10,464,424</u>	<u>9,901,261</u>	<u>12,037,782</u>
1,777,811	1,606,237	1,452,089	1,194,839	1,510,220	1,755,477
5,612,110	5,702,042	5,499,427	5,119,592	5,267,512	5,513,843
3,072,594	2,096,725	1,802,750	2,445,107	1,716,030	2,427,123
1,432,675	1,494,664	1,310,866	878,671	667,861	690,856
17,586	33,292	35,979	-	-	-
1,689,495	4,895,952	3,267,510	1,779,017	1,032,454	1,301,682
274,158	499,235	183,149	208,222	140,383	207,403
308,876	454,713	267,968	541,889	382,928	268,691
-	105,823	-	-	-	-
<u>14,185,305</u>	<u>16,888,683</u>	<u>13,819,738</u>	<u>12,167,337</u>	<u>10,717,388</u>	<u>12,165,075</u>
<u>(544,911)</u>	<u>(1,654,701)</u>	<u>(2,934,717)</u>	<u>(1,702,913)</u>	<u>(816,127)</u>	<u>(127,293)</u>
-	4,805,000	-	-	-	-
-	(102,677)	-	-	-	-
-	-	47,506	-	-	-
236,616	906,258	425,902	590,279	135,091	194,531
(236,616)	(906,258)	(425,902)	(577,857)	(124,639)	(148,730)
-	-	-	-	-	643,021
-	4,702,323	47,506	12,422	10,452	688,822
-	-	-	-	(1,498,454)	-
<u>\$ (544,911)</u>	<u>\$ 3,047,622</u>	<u>\$ (2,887,211)</u>	<u>\$ (1,690,491)</u>	<u>\$ (2,304,129)</u>	<u>\$ 561,529</u>

4.66%

8.81%

4.13%

7.22%

5.40%

4.38%

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

Fiscal Year	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Direct Rate
2003/2004	1,098,885,515	187,072,771	54,539,705	1,231,418,581	0.144%
2004/2005	1,205,735,778	184,994,566	65,101,805	1,325,628,539	0.199%
2005/2006	1,349,777,552	161,246,947	67,494,168	1,443,530,331	0.192%
2006/2007	1,524,979,595	161,724,477	71,295,420	1,615,408,652	0.200%
2007/2008	1,629,447,870	160,794,104	71,837,516	1,718,404,458	0.190%
2008/2009	1,662,445,744	164,935,634	73,740,612	1,753,640,766	0.173%
2009/2010	1,614,200,371	141,625,189	74,621,731	1,681,203,829	0.168%
2010/2011	1,509,536,535	131,670,495	75,716,027	1,565,491,003	0.175%
2011/2012	1,465,564,258	130,423,642	76,467,907	1,519,519,993	0.169%
2012/2013	1,463,888,966	130,267,793	76,537,481	1,517,619,278	0.169%

Note:

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

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

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

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
City of Auburn				
General purpose	0.129	0.139	0.128	0.140
Property tax in lieu of vehicle license fees	-	0.047	0.050	0.050
Debt service	0.015	0.013	0.014	0.010
	0.144	0.199	0.192	0.200
Placer County	0.326	0.321	0.320	0.320
School Districts	0.447	0.455	0.455	0.452
Special Districts	0.068	0.068	0.068	0.068
	<u>0.985</u>	<u>1.043</u>	<u>1.035</u>	<u>1.040</u>

Notes:

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

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

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

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
0.136	0.126	0.121	0.128	0.122	0.122
0.050	0.047	0.047	0.047	0.047	0.047
0.004	-	-	-	-	-
0.190	0.173	0.168	0.175	0.169	0.169
0.320	0.320	0.322	0.322	0.322	0.322
0.452	0.456	0.448	0.448	0.448	0.448
0.068	0.068	0.071	0.071	0.071	0.071
<u>1.030</u>	<u>1.017</u>	<u>1.009</u>	<u>1.016</u>	<u>1.010</u>	<u>1.010</u>

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

<u>Taxpayer</u>	<u>Fiscal Year 2012/2013</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
Auburn Investors LLC	\$ 14,935,000	0.98%
Reneson Hotels Inc.	14,028,157	0.92%
Regal Cinemas, Inc.	10,329,668	0.68%
The Abbey Company	9,808,538	0.65%
Miltenyi Biotec Inc.	7,648,304	0.50%
UAIC Development Corporation	7,606,022	0.50%
Foothill Terrace Apartments Inc.	5,490,146	0.36%
Longs Drug Stores Inc.	5,301,855	0.35%
United Natural Foods, Inc.	4,826,359	0.32%
Nella Oil Company LLC	4,803,508	0.32%
	<u>\$ 84,777,557</u>	<u>5.59%</u>

Total City of Auburn assessed property valuation Fiscal Year 2012/13

\$ 1,517,619,278

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

Total City of Auburn assessed property valuation Fiscal Year 2005/06

\$ 1,443,530,331

Note:

Data pertaining to fiscal year 2003/2004 is not available, the latest prior year available is fiscal year 2005/06.

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

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2003/2004	2,301,875	2,301,875	100.00%	-	2,301,875	100.00%
2004/2005	3,309,955	3,309,955	100.00%	-	3,309,955	100.00%
2005/2006	3,723,878	3,723,878	100.00%	-	3,723,878	100.00%
2006/2007	4,118,329	4,118,329	100.00%	-	4,118,329	100.00%
2007/2008	4,402,015	4,402,015	100.00%	-	4,402,015	100.00%
2008/2009	4,084,946	4,084,946	100.00%	-	4,084,946	100.00%
2009/2010	3,923,742	3,923,742	100.00%	-	3,923,742	100.00%
2010/2011	3,726,242	3,726,242	100.00%	-	3,726,242	100.00%
2011/2012	3,403,509	3,403,509	100.00%	-	3,403,509	100.00%
2012/2013	3,520,802	3,520,802	100.00%	-	3,520,802	100.00%

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

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

Fiscal Year	Governmental Activities						Total
	General Obligation Bonds	Pension Obligation Bonds	Tax Allocation Bonds	Loans and Notes Payable	Due to Other Agencies	Capital Leases	
2003/2004	650,000	-	-	90,864	134,733	14,031	889,628
2004/2005	540,000	-	-	79,888	109,427	9,556	738,871
2005/2006	420,000	4,965,000	-	68,580	84,121	356,739	5,894,440
2006/2007	290,000	4,900,000	-	56,931	58,815	269,046	5,574,792
2007/2008	150,000	4,845,000	-	44,954	33,512	182,815	5,256,281
2008/2009	-	4,775,000	4,530,746	32,570	31,278	93,177	9,462,771
2009/2010	-	4,685,000	4,459,169	19,832	29,044	46,269	9,239,314
2010/2011	-	4,575,000	4,387,592	6,710	26,810	38,404	9,034,516
2011/2012	-	4,450,000	-	-	-	29,731	4,479,731
2012/2013	-	4,305,000	-	-	-	610,349	4,915,349

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

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

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

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

Business-Type Activities

Loans and Notes Payable	Revenue Bonds	Total	Total Primary Government	Percentage of Personal Income (1)	Percentage of Assessed Value (2)	Per Capita (1)
5,707,941	-	5,707,941	6,597,569	1.39%	0.54%	522
5,374,142	-	5,374,142	6,113,013	1.19%	0.46%	476
5,035,206	-	5,035,206	10,929,646	2.01%	0.76%	842
4,691,134	-	4,691,134	10,265,926	1.77%	0.64%	783
4,341,925	-	4,341,925	9,598,206	1.59%	0.56%	723
3,987,580	-	3,987,580	13,450,351	2.10%	0.77%	1,001
3,628,100	8,187,914	11,816,014	21,055,328	3.40%	1.25%	1,551
3,263,482	8,036,606	11,300,088	20,334,604	3.22%	1.30%	1,516
2,893,728	7,885,298	10,779,026	15,258,757	2.34%	1.00%	1,133
2,178,739	7,728,990	9,907,729	14,823,078	n/a	0.98%	1,102

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

Fiscal Year	General Bonded Debt Outstanding			Percent of Assessed Value (1)	Population	Per Capita
	General Obligation Bonds	Pension Obligation Bonds	Total			
2003/2004	650,000	-	650,000	0.05%	12,634	51
2004/2005	540,000	-	540,000	0.04%	12,949	42
2005/2006	420,000	4,965,000	5,385,000	0.37%	12,975	32
2006/2007	290,000	4,900,000	5,190,000	0.32%	13,112	396
2007/2008	150,000	4,845,000	4,995,000	0.29%	13,273	376
2008/2009	-	4,775,000	4,775,000	0.27%	13,432	355
2009/2010	-	4,685,000	4,685,000	0.28%	13,578	345
2010/2011	-	4,575,000	4,575,000	0.29%	13,410	341
2011/2012	-	4,450,000	4,450,000	0.29%	13,468	330
2012/2013	-	4,305,000	4,305,000	0.28%	13,446	320

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

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

CITY OF AUBURN
Direct and Overlapping Bonded Debt
As of June 30, 2013

City Assessed Valuation		<u>\$ 1,517,619,278</u>	
	<u>Percent</u>	<u>Outstanding</u>	<u>Estimated</u>
	<u>Applicable (1)</u>	<u>Debt</u>	<u>Share of</u>
		<u>June 30, 2013</u>	<u>Overlapping</u>
			<u>Debt</u>
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Placer Union High School District	14.747%	\$ 32,534,040	\$ 4,797,795
Total Overlapping Tax and Assessment Debt		<u>32,534,040</u>	<u>4,797,795</u>
OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Placer County General Fund Obligations	2.977%	\$ 43,720,000	1,301,544
Placer County Office of Education Certificates of Participations	2.977%	1,970,000	58,647
Sierra Joint Community College District General Fund Obligations	2.202%	10,793,000	237,662
Placer Union High School District Certificates of Participation	14.747%	6,390,000	942,333
Auburn Union School District Certificates of Participation	41.014%	37,578,580	15,412,479
Placer Mosquito and Vector Control District COPS	2.977%	4,300,000	128,011
Auburn Area Recreation and Park District Certificates of Participation	31.972%	235,000	75,134
Total Overlapping General Fund Obligation Debt		<u>104,986,580</u>	<u>18,155,810</u>
OVERLAPPING TAX INCREMENT DEBT:	.011 - 100%	7,420,000	4,320,341
Total Overlapping Debt		<u>144,940,620</u>	<u>27,273,946</u>
DIRECT GENERAL FUND OBLIGATION DEBT:			
City of Auburn Pension Obligations	100.000%	4,305,000	4,305,000
Capital leases	100.000%	610,349	610,349
Total Direct Debt		<u>4,915,349</u>	<u>4,915,349</u>
Total Combined Debt (2)		<u>\$ 149,855,969</u>	<u>\$ 32,189,295</u>
RATIOS TO 2012/2013 ASSESSED VALUATION:			
Total Overlapping Tax and Assessment Debt	1.797%		
RATIOS TO ADJUSTED ASSESSED VALUATION:			
Combined Direct Debt (\$4,915,349)	0.324%		
Combined Total Debt	2.121%		

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

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

CITY OF AUBURN
Computation of Legal Bonded Debt Margin
June 30, 2013

Secured Property Assessed Value, Net of Exempt Real Property	<u>\$ 1,389,677,673</u>
Bonded debt limit (3.75% of assessed value) (a)	\$ 52,112,913
Less debt subject to limit:	
Total pension obligation bonds at 06/30/13	(4,305,000)
Total sewer revenue bonds at 06/30/13	<u>(7,728,990)</u>
Legal debt margin	<u>\$ 40,078,923</u>

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

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

CITY OF AUBURN
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population	Personal Income		Taxable Assessed Valuation	Per Capita Taxable Property Values	Average Unemployment Rate
		Total	Per Capita			
2004	12,634	475,177,374	37,611	1,329,968,151	105,269	3.7%
2005	12,849	514,820,883	40,067	1,430,639,424	111,342	3.3%
2006	12,975	543,782,250	41,910	1,557,978,133	120,075	3.2%
2007	13,112	580,992,720	44,310	1,739,635,788	132,675	3.4%
2008	13,273	603,536,583	45,471	1,850,275,254	139,401	4.0%
2009	13,432	640,128,824	47,657	1,999,941,536	148,894	9.4%
2010	13,578	619,346,892	45,614	1,921,190,548	141,493	9.4%
2011	13,410	631,637,820	47,102	1,794,952,305	134,955	8.4%
2012	13,468	652,874,768	48,476	1,745,535,004	129,606	7.7%
2013	13,446	n/a	n/a	1,517,619,278	-	0.0%

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

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

**CITY OF AUBURN
Principal Employers
2013**

<u>Employer</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Placer County Water Agency	150	1.70%
Pride Industries	150	1.70%
AT & T	94	1.07%
Auburn Journal	90	1.02%
Auburn Placer Disposal - Recology	80	0.91%
United States Post Office	68	0.77%
City of Auburn	80	0.91%
Placer County (Domes Offices)	59	0.67%
Nella Oil	84	0.95%
Miltenyi Biotech	55	0.63%

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

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

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

	As of June 30,			
	2004	2005	2006	2007
City Council	5.00	5.00	5.00	5.00
City Manager's Office	3.00	2.00	2.00	1.50
City Clerk's Office	2.00	2.00	2.00	2.00
Finance/Administrative Services	5.00	4.80	5.00	8.00
Community Development	9.00	9.50	12.00	10.00
Police Department	33.50	32.50	35.50	36.50
Fire Department	13.00	13.00	14.50	13.00
Public Works	25.50	25.50	26.00	27.00
Airport	1.00	1.00	1.00	1.00
Total Full-Time Equivalent Employees	<u>97.00</u>	<u>95.30</u>	<u>103.00</u>	<u>104.00</u>

Source: Administrative Services Department, City of Auburn

2008	2009	2010	2011	2012	2013
5.00	5.00	5.00	5.00	5.00	5.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
6.00	4.00	4.00	4.00	4.00	4.00
8.00	6.50	6.50	5.50	5.50	5.50
36.00	35.00	30.00	28.00	28.00	28.00
13.00	11.00	11.00	11.00	11.00	16.00
21.50	19.50	18.50	18.50	17.50	18.00
-	-	-	-	-	-
92.50	84.00	78.00	75.00	74.00	79.50

CITY OF AUBURN
Operating Indicators
Last Ten Fiscal Years

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Auburn Airport:				
Tie-downs per year	1,086	1,050	978	1,020
Hangar rentals per year	95	96	97	120
Gallons of fuel sold per year	271,000	194,000	155,000	249,094
Environment and Utilities				
Gallons of wastewater treated per year (in millions)	477	602	628	530
Fire				
Fires per year	109	130	82	80
Emergency medical calls per year	887	995	1,013	1,093
Hazardous materials incidents per year	24	26	34	27
Non-emergency service calls per year	134	176	229	295
Police				
911 calls per year	3,056	2,966	2,910	2,819
Cases investigated per year	5,243	3,973	4,100	4,271
Arrests per year	975	847	886	1,164
Building Permits				
Building permits issued per year	580	635	599	596
New building and alteration valuation	\$ 27,882,769	\$ 45,634,211	\$ 33,298,065	\$ 25,330,689

Source: City of Auburn

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
1,044	1,034	916	803	884	884
88	83	80	73	62	62
211,992	209,467	168,016	134,040	168,422	192,481
451	446	481	612	506	501
210	108	114	114	86	110
1,106	1,333	1,377	1,238	1,317	1,377
20	47	63	51	36	40
251	336	314	312	257	297
2,666	2,325	2,541	2,665	306	4,442
5,172	4,986	5,377	4,731	2,864	2,177
1,160	1,134	825	770	542	689
590	455	461	660	484	473
\$ 14,450,089	\$ 12,391,787	\$ 17,084,250	\$ 11,844,465	\$ 10,573,919	\$ 14,845,275

CITY OF AUBURN
Capital Asset Statistics
Last Ten Fiscal Years

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Auburn Airport				
Terminals (Airport Management Building)	1	1	1	1
Runways	1	1	1	1
Airport hangars	81	81	81	81
Environment and Utilities				
Miles of municipal sewer mains	61	62	62	62
Maximum daily capacity (gallons per day)	2,000,000	2,000,000	2,000,000	2,000,000
Fire				
Full-time staffed positions	1	1	1	1
Volunteer stations	2	2	2	2
Police				
Stations	1	1	1	1
Vehicles and motorcycles	24	25	27	27
Community Development				
Miles of municipal roadways	62	62	62	62
Pocket park sites	10	10	10	10

Source: City of Auburn

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
1	1	1	1	1	1
1	1	1	1	1	1
81	81	81	81	81	81
62	62	62	62	62	62
2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
27	27	29	29	29	23
62	62	62	62	62	62
10	11	11	11	11	11

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