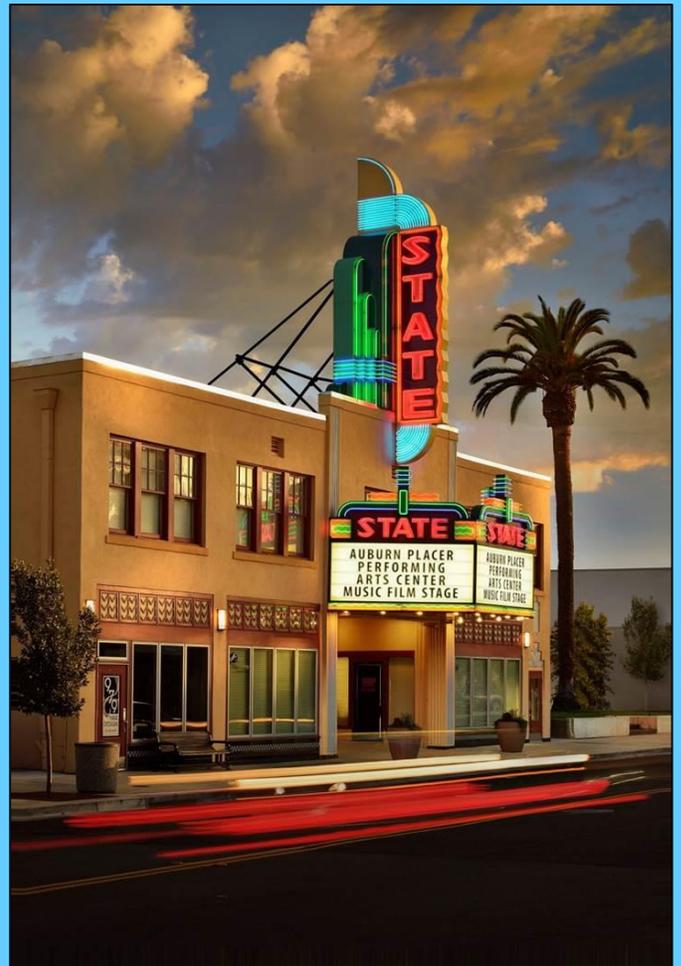




CITY OF AUBURN CALIFORNIA

2015



Comprehensive Annual Financial Report

Fiscal Year Ended
June 30, 2015

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Front Cover: Auburn Placer Performing Arts Center. Auburn, Ca.

Photo provided courtesy of OUTPOSTcreative

**City of Auburn,
California**

**Comprehensive Annual
Financial Report**

**For the Year Ended
June 30, 2015**

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

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CITY OF AUBURN
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

Table of Contents

	Page
INTRODUCTORY SECTION	
Letter of Transmittal.	i-vi
Government Finance Officer’s Association Certificate of Achievement.	vii
Credits for Comprehensive Annual Financial Reports.	viii
List of Officials.	ix
Organizational Chart.	x
FINANCIAL SECTION	
Independent Auditor’s Report.	1-3
Management’s Discussion and Analysis (Unaudited).	4-18
Basic Financial Statements:	
Government-Wide Financial Statement:	
Statement of Net Position.	19
Statement of Activities.	20
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.	21
Reconciliation of the Governmental Funds Balance Sheet to the Government- Wide Statement of Net Position - Governmental Activities.	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities.	24
Proprietary Funds:	
Statement of Net Position.	25-26
Statement of Revenues, Expenses, and Changes in Net Position.	27
Statement of Cash Flows	28-29
Fiduciary Funds:	
Statement of Fiduciary Net Position.	30
Statement of Changes in Fiduciary Net Position.	31
Notes to Basic Financial Statements.	32-66
Required Supplementary Information (Unaudited):	
City Pension Plans - Schedule of Proportionate Share of the Net Pension Liability.	67-68
City Pension Plans - Schedule of Contributions.	69-70
City Pension Plans - Notes to the City Pension Plans.	71
City OPEB Plan - Schedule of Funding Progress	72
Budgetary Comparison Schedule - General Fund.	73-74
Budgetary Comparison Schedule - Transportation.	75
Notes to Budgetary Comparison Schedule.	76-77

CITY OF AUBURN
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

Table of Contents

	Page
FINANCIAL SECTION (CONTINUED)	
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	78
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.	79
Special Revenue Funds:	
Narrative Summary.....	80-81
Combining Balance Sheet.....	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.	83
Budgetary Comparison Schedules:	
State Gas Tax.....	84
Transit.....	85
Property Seizures.....	86
HOME Housing Rehabilitation & First Time Homebuyer.....	87
Small Business Loans.....	88
Solid Waste Management.....	89
Office of Traffic Safety.....	90
State Law Enforcement Grant.....	91
Facilities and Equipment.....	92
Miscellaneous Grants.....	93
Capital Projects Funds:	
Narrative Summary.....	94
Combining Balance Sheet.....	95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.	96
Budgetary Comparison Schedule - Auburn School Park Preserve.....	97
Fiduciary Funds:	
Narrative Summary.....	98-99
Private Purpose Trust Funds:	
Combining Statement of Fiduciary Net Position.....	100
Combining Statement of Changes in Fiduciary Net Position.....	101
Agency Funds:	
Combining Statement of Assets and Liabilities.....	102
Combining Statement of Changes in Assets and Liabilities.....	103-104

CITY OF AUBURN
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

Table of Contents

	Page
STATISTICAL SECTION (UNAUDITED)	
Narrative Summary.	105
Financial Trend Information:	
Net Position by Component - Last Ten Fiscal Years.	106
Changes in Net Position - Last Ten Fiscal Years.	107-108
Fund Balances - Governmental Funds - Last Ten Fiscal Years.	109
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years	110
Revenue Capacity Information:	
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years.	111
Property Tax Rates - All Overlapping Governments - Last Ten Fiscal Years.	112
Principal Property Taxpayers - Current Year and Eight Years Ago.	113
Property Tax Levies and Collections - Last Ten Fiscal Years.	114
Debt Capacity Information:	
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years.	115
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years.	116
Direct and Overlapping Bonded Debt.	117
Computation of Legal Bonded Debt Margin.	118
Demographic and Economic Information:	
Demographic and Economic Statistics - Last Ten Calendar Years.	119
Principal Employers.	120
Operating Information:	
Full-Time and Part-Time City Government Employees - Last Ten Fiscal Years.	121
Operating Indicators - Last Ten Fiscal Years.	122
Capital Asset Statistics - Last Ten Fiscal Years.	123

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INTRODUCTORY SECTION

- **Letter of Transmittal**
- **Government Finance Officer's
Association Certificate of Achievement**
- **Credits for Comprehensive Annual
Financial Report**
- **List of Officials**
- **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

December 22, 2015

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

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF AUBURN

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Auburn for the Fiscal Year July 1, 2014 through June 30, 2015. 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 2014-15 are fairly stated and in compliance with accounting principles generally accepted in the United States. This conclusion is the most favorable kind and is commonly known as an "unqualified" or "clean" opinion. The independent auditor's report is included in the Financial Section of this report.

REPORTING ENTITY

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

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

The City of Auburn covers approximately 7.5 square miles on the western slope of the Sierra Nevada Range and has an estimated population of 13,960. At the crossroads of Interstate 80 and Highway 49, Auburn is the county seat of Placer County and an important retail trade center. The City of Auburn and surrounding Auburn areas have emerged as a destination point for those enjoying a variety of activities including whitewater rafting, horseback riding, and hiking to the historic ambiance of the Old Town and Downtown areas providing unique shopping and dining experiences. In 2003, the Auburn City Council passed an official measure proclaiming Auburn as the Endurance Capital of the World. Auburn is home to some of the most challenging and historic endurance events on the planet, including the Auburn International Triathlon, the Tevis Cup Ride, and the Western States 100-mile Endurance Run and many other major events and activities in "the Endurance Capital of the World."

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

ECONOMIC CONDITION AND OUTLOOK

Since the economic recession of 2008 & 2009, the City continues experiencing positive revenue growth. For a fourth consecutive year, the City is: increasing fund balance in the General Fund; experiencing significant tax revenue growth; experiencing an uptick in building permits and related revenue; and positioned for major capital investments with adequate financing for the improvements. Simultaneously the City has made significant decisions concerning expenditures and implemented changes to avoid long-term costs. By consolidating multiple departments, eliminating positions and renegotiating labor contracts, service agreements and insurance policies, the City continues driving

expenditures down. The Original General Fund Budget for Fiscal Year 2014-15 General anticipated utilizing an estimated \$206,000 in fund balance reserves to balance the budget. Throughout the fiscal year, the City significantly reduced expenditures of the General Fund (via department consolidations and drilling down to reduce overhead and expenses), and also received more tax revenues from sales and property tax. Due to these factors, the City's General Fund realized a \$1,189,682 surplus in Fiscal Year 2014-15. This is the largest, one-year increase to the City's fund balance in history. It brings the City up to 47% of General Fund expenditures (per City Council Fund Balance Policy). 47% is pre-Recession level (FY06-07) but does remain below the City's all-time high of 52% in Fiscal Year 2004-05. The City continues positioning itself to improve and enhance its viability in coming years

In February 2014, the California Public Employees Retirement System, or CalPERS, Board approved new actuarial assumptions to reflect the fund's recent experience. Most notably is the change to a new 20-year "mortality rate projection" which applies to all CalPERS groups. This assumption drastically impacts the City's finances over the course of the next several years. Similarly in spring 2015, CalPERS adjusted their long-term rate-of-return for determining actuarial valuations. Management will be diligent in addressing the financial burden that pensions now place on municipal budgets across the State.

The City's Fiscal Year 2015-16 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 3.0% when compared to Fiscal Year 2014-15 values. Sales tax is showing signs of improvement and is expected to be 3% higher than those collected in the previous year, primarily due to sustained increases in collections, a sign of the improving economy. Intergovernmental revenues are also expected to remain and will include the addition of a FEMA SAFER grant. Continuing improvement in City building permit revenues has also provided an additional indication of the improvement in the local economy.

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

SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

Highlights of activities and accomplishments for the fiscal year ended June 30, 2015 include the following:

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

- ❖ Completed over \$946,000 in sewer repairs to reduce infiltration and inflow (I&I) into the City’s sanitary sewer system.
- ❖ Extended the Auburn Transit System to the Auburn Municipal Airport and entered into a contractual agreement with Placer County Transit to expand local transit.
- ❖ Successfully negotiated successor memoranda of understanding (MOUs) with labor groups. Together, the City negotiated agreements with its labor groups which effectively ended the practice of unlimited vacation leave accruals, cash payouts for unused sick leave, and end future retiree health benefits.
- ❖ The City Clerk’s Office administered a successful election whereas two new members were welcomed to the Auburn City Council.

LONG-TERM FINANCIAL PLANNING AND INTIATIVES

Public Works:

Capital Improvement Plan: The budget adopted for Fiscal Year 2015-16 includes more than \$11.37 million appropriated for all capital projects. The City is attempting to identify alternative funding sources for public infrastructure including streets and sidewalks.

Community Development:

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

Public Safety:

Consolidation: In December 2014, the City’s fire chief retired which created an opportunity to consolidate management positions and retain “on-the-ground” public safety positions. The chief of police was appointed as the “interim public safety director,” to oversee the operations and administration of the police and fire departments. The interim position was made permanent in July 2015. Because of this consolidation, the City was also able to retain three (3) firefighter positions which were funded through a FEMA Staffing for Adequate Fire and Emergency Response “SAFER” grant. In Fall 2015, the City received another SAFER grant to hire an additional three (3) firefighters. These temporary, grant funded firefighters will increase the City’s ability to respond to emergencies and also improve community education programs.

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

General Government:

Administrative Services – Information Technology Enhancements and Upgrades: The City of Auburn Administrative Services Department recently completed a major capital project which included the replacement of two (2) main file servers and creation of a new city website. The department will continue to implement upgrades to its technology infrastructure including an overhaul of the Corporation Yard, reworking the City network applications, and review/adoption of citywide policies related to technology.

Administrative Services – Health and Benefits: The City of Auburn continues experiencing 8% - 8.5% increases to employee health premiums. Over the last several years, the City has worked with labor unions to increase the employee contribution towards health care costs resulting in a lesser financial impact to the City. Also, management remains diligent in monitoring changes to pension obligations. In Fiscal Year 2015-16, the City budgeted \$1,200,872, for employee pension costs, an increase of 9% over the previous year. According to CalPERS actuarial reports, the City should anticipate, and prepare for, pension increases between 20-30% over the next five years.

FINANCIAL INFORMATION

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

Budgetary Controls

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

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

AWARD AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate for Excellence in Financial Reporting to the City of Auburn for its comprehensive annual financial report for the Fiscal Year ended June 30, 2014. This award, the eighth consecutive award for the City, recognizes the City's conformance with the highest standards for preparation of state and local government financial reports.

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

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

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

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

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

Respectfully submitted,



Tim Rundel
City Manager



Dylan Feik
Administrative Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Auburn
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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City of Auburn
Comprehensive Annual Financial Report

2015

Project Team

Tim Rundel, City Manager

Dylan Feik, Administrative Services Director

Administrative Staff

Mary Freitas, Senior Accounting Technician

Shari Conley, Administrative Technical Analyst

Special Assistance

John Ruffcorn, Public Safety Director

Jon May, Building Official

Bernie Schroeder, Planning & Public Works Director

George Williams, City Treasurer

Kristen West, Vavrinek, Trine, Day and Co., LLP

Phuong Nguyen, Vavrinek, Trine, Day and Co., LLP

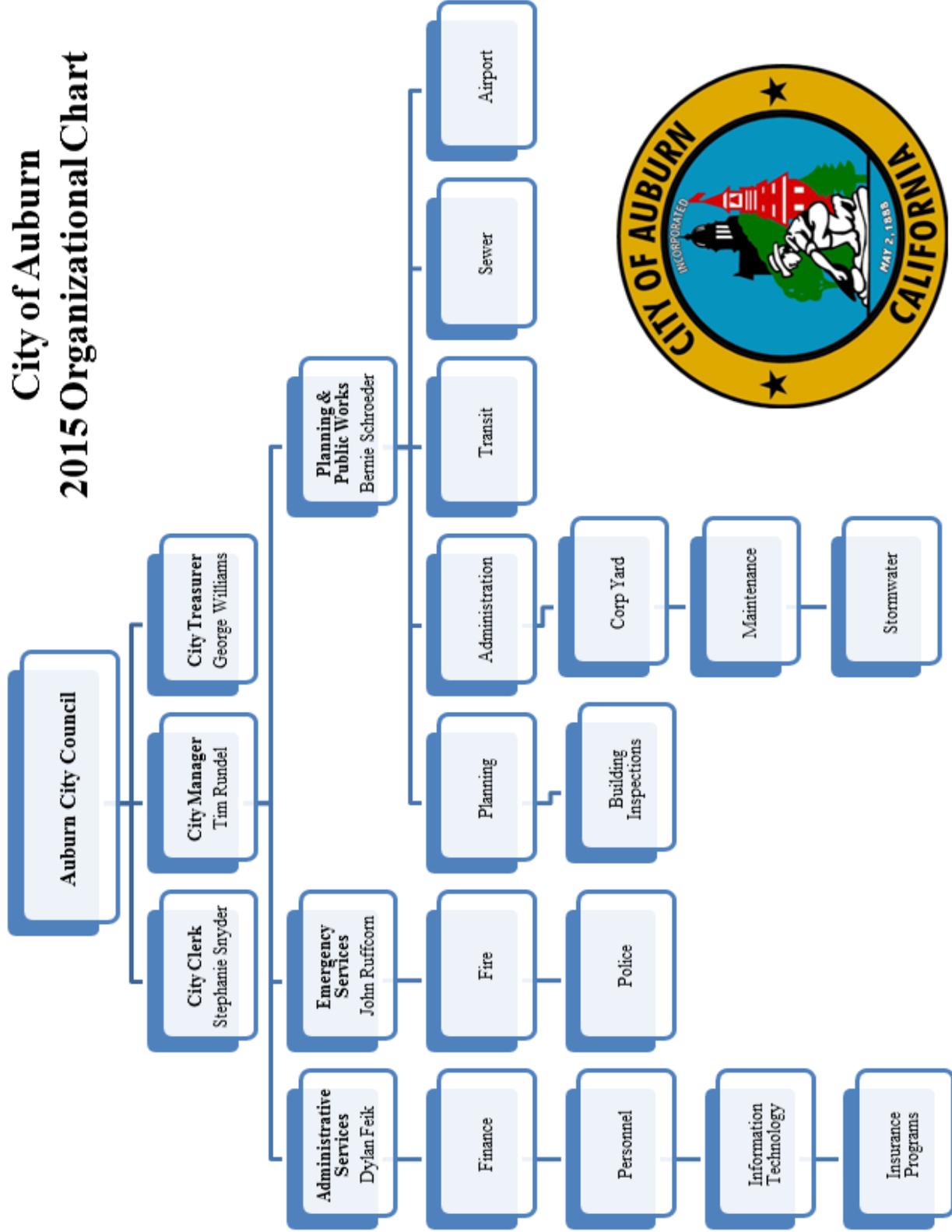
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CITY OF AUBURN
City Officials
For the Year Ended June 30, 2015

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

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City of Auburn 2015 Organizational Chart



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FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Auburn, California (City), as of and for the year ended June 30, 2015, 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, 2015, 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 1R to the financial statements, in 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement Nos. 68, 69, and 71. The implementation of GASB 68 and 71 resulted in the restatement of beginning net position for the year ended June 30, 2015. Our opinion is not modified with respect to these matters.

As described in Note 12B, the net pension liability is measure as of June 30, 2014 and the pension expense is for the measurement period of 2013-2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

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

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.

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 December 10, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.



Smith & Newell CPAs
Yuba City, California
December 10, 2015

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

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CITY OF AUBURN
Management Discussion and Analysis
June 30, 2015

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, 2015. Please read it in conjunction with the City's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities at the close of Fiscal Year 2014-15 by \$39,188,485 (*total net position*). Of this amount, there is a negative unrestricted net position of (\$4,481,350) to meet long-term and ongoing obligations to citizens, employees and creditors. There is \$3,972,433 restricted for capital projects, debt service and legally segregated taxes, grants, and fees.
- As of June 30, 2015, the City governmental funds reported combined fund balances of \$7,600,004. Approximately 54% of the combined fund balances, or \$4,103,447, is available to meet the City's current and future needs (*committed and unassigned fund balance*). This represents a 72% increase over Fiscal Year 2013-14.
- An annual surplus of \$1,189,682 was realized in the City's General fund during the fiscal year. Total General fund balance as of June 30, 2015 was \$4,635,345 or 47% of budgeted expenditures for Fiscal Year 2014-15.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

CITY OF AUBURN
Management Discussion and Analysis
June 30, 2015

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

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

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

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

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

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

The proprietary funds financial statements can be found on pages 25-29 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 30-31 of this report.

CITY OF AUBURN
Management Discussion and Analysis
June 30, 2015

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 32-66 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 67-77 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 78-104 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Table 1
Condensed Statement of Net Position
June 30,

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and other assets	\$ 8,233,342	\$ 11,694,972	\$ 10,973,366	\$ 10,220,005	\$ 19,206,708	\$ 21,914,977
Capital assets	21,347,533	21,268,816	27,552,740	27,784,467	48,900,273	49,053,283
Total Assets	29,580,875	32,963,788	38,526,106	38,004,472	68,106,981	70,968,260
Deferred Outflows of Resources:						
Pension adjustments	1,253,828	-	37,907	-	1,291,735	-
Total Deferred Outflows of Resources	1,253,828	-	37,907	-	1,291,735	-
Liabilities:						
Current and other liabilities	841,362	1,512,389	246,548	176,910	1,087,910	1,689,299
Long-term liabilities	16,138,033	6,539,099	9,437,479	9,501,793	25,575,512	16,040,892
Total Liabilities	16,979,395	8,051,488	9,684,027	9,678,703	26,663,422	17,730,191
Deferred Inflows of Resources:						
Pension adjustments	3,387,891	-	158,918	-	3,546,809	-
Total Deferred Inflows of Resources	3,387,891	-	158,918	-	3,546,809	-
Net Position:						
Net investment in capital assets	21,053,667	20,815,460	18,643,735	18,371,032	39,697,402	39,186,492
Restricted	3,413,170	3,323,613	559,263	559,263	3,972,433	3,882,876
Unrestricted	(13,999,420)	773,227	9,518,070	9,395,474	(4,481,350)	10,168,701
Total Net Position	\$ 10,467,417	\$ 24,912,300	\$ 28,721,068	\$ 28,325,769	\$ 39,188,485	\$ 53,238,069

CITY OF AUBURN
Management Discussion and Analysis
June 30, 2015

Governmental Activities

The City's governmental net position amounted to \$10.467 million as of June 30, 2015, a decrease of approximately \$14.4 million over the Fiscal Year ended June 30, 2014. This decrease is the change in net position reflected in the Governmental Activities column of the Changes in Net Position, including pension adjustments reflected according to GASB 68 shown in above. The City's net position from governmental activities as of June 30, 2015, comprised the following:

- Cash and investments comprised \$5.8 million in the City treasury, \$605,602 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 \$1,594,215, an increase of \$66,670 over the previous year.
- Loans receivable comprised approximately \$610,874, all of which represents loans provided by the City's Community Development Block Grant Program to support small business development.
- Net pension liability of \$9,936,768.
- Capital assets of \$21.35 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 \$841,362, a 44% decrease from Fiscal Year 2013-14 (\$1,512,389).
- Long-term liabilities comprised \$16,138,033, which the increase is solely due to the cumulative effect of change in accounting principle. The City adopted GASB 68 which requires local governments to include long-term pension liabilities in the Statement of Net Position.
- Net position invested in capital assets net of related debt of \$21.05 million, a slight increase over the previous year (\$20.82 million). This represents the City's investment in infrastructure and other capital assets used in governmental activities net of amounts borrowed to finance that investment.
- Restricted net position totaling \$3.41 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 a 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 a negative unrestricted net position of (\$13,999,420) as of June 30, 2015. This is due to long-term pension obligations that is now shown in the financial statements per GASB 68.

CITY OF AUBURN
Management Discussion and Analysis
June 30, 2015

Business-Type Activities

The City's business-type net position amounted to \$28.72 million as of June 30, 2015, increasing by approximately \$395,299 over the previous year. 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. Capitalized assets in the Airport and Sewer funds were related to sewer rehabilitation projects, the Regional Sewer Common Pipeline, Monticello Lift Station, and aeration improvements at the City's Wastewater Treatment Plant. Additionally, improvements to the Auburn Municipal Airport included a new monument sign and a new truck. The City's net position from business-type activities as of June 30, 2015, comprised the following:

- Cash and investments comprised \$10,554,733 in the City Treasury. This represents a 7.2% increase over the previous year, whereas \$1,558,595 of which is restricted in use as detailed in Note 3 to the financial statements.
- Current accounts, taxes and intergovernmental receivables comprised \$286,510.
- Total capital assets of \$27.5 million, net of depreciation charges.
- Current liabilities, including accounts and interest payable and deposits, comprised \$246,548, representing a 39% increase from the previous year of \$176,910.
- Long-term liabilities comprised \$9,437,479.
- Net position invested in capital assets net of related debt of \$18.64 million, representing the City's investment in infrastructure and other capital assets used in business-type activities, net of amounts borrowed to finance that investment.
- Restricted net position totals \$559,263 and is related to a debt service reserve established for sewer revenue bonds.
- Unrestricted net position of \$9,518,070, an increase of 1.3%, or \$122,596 over the previous year of \$9,395,474.

CITY OF AUBURN
Management Discussion and Analysis
June 30, 2015

The following table indicates the changes in net position:

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Program Revenues:						
Charges for services	\$ 955,540	\$ 813,641	\$ 6,306,297	\$ 5,890,987	\$ 7,261,837	\$ 6,704,628
Operating grants and contributions	3,652,206	2,574,530	84,249	86,311	3,736,455	2,660,841
Capital grants and contributions	19,666	-	-	-	19,666	-
Total Program Revenues	4,627,412	3,388,171	6,390,546	5,977,298	11,017,958	9,365,469
General Revenues:						
Property taxes	3,311,186	2,627,318	30,326	47,364	3,341,512	2,674,682
Sales and use taxes	3,291,054	2,957,859	-	-	3,291,054	2,957,859
In-lieu taxes	1,291,045	1,470,211	-	-	1,291,045	1,470,211
Franchise taxes	663,639	632,963	-	-	663,639	632,963
Other taxes	305,376	282,367	-	-	305,376	282,367
Grants and contributions - unrestricted	5,657	431,011	-	-	5,657	431,011
Unrestricted interest and investment earnings	58,888	119,117	8,076	38,063	66,964	157,180
Miscellaneous	50,735	52,653	87	17,640	50,822	70,293
Transfers	44,974	57,454	(44,974)	(57,454)	-	-
Total General Revenues	9,022,554	8,630,953	(6,485)	45,613	9,016,069	8,676,566
Total Revenues	13,649,966	12,019,124	6,384,061	6,022,911	20,034,027	18,042,035
Program Expenses:						
General government	1,889,941	1,474,340	-	-	1,889,941	1,474,340
Public safety	6,053,257	6,369,373	-	-	6,053,257	6,369,373
Transportation	2,137,436	3,145,072	-	-	2,137,436	3,145,072
Community development	1,513,541	934,437	-	-	1,513,541	934,437
Interest on long-term debt	243,174	258,754	-	-	243,174	258,754
Airport	-	-	760,253	681,504	760,253	681,504
Sewer	-	-	4,684,549	5,040,454	4,684,549	5,040,454
Total Expenses	11,837,349	12,181,976	5,444,802	5,721,958	17,282,151	17,903,934
Change in net position	1,812,617	(162,852)	939,259	300,953	2,751,876	138,101
Net Position - Beginning	24,912,300	25,075,152	28,325,769	28,024,816	53,238,069	53,099,968
Prior Period Adjustment	452,584	-	-	-	452,584	-
Cumulative effect of change in accounting principle	(16,710,084)	-	(543,960)	-	(17,254,044)	-
Net Position - Beginning, Restated	8,654,800	25,075,152	27,781,809	28,024,816	36,436,609	53,099,968
Net Position - Ending	\$ 10,467,417	\$ 24,912,300	\$ 28,721,068	\$ 28,325,769	\$ 39,188,485	\$ 53,238,069

Governmental Activities

Governmental activities net position decreased to \$10,467,417 during Fiscal Year 2014-15. The decrease in net position is primarily attributed to a prior period adjustment of \$452,584 and the cumulative effect of a change in accounting principle of \$16,710,084 experienced during the fiscal year.

As Table 2 above shows, \$4.63 million, or 34%, of the City's Fiscal Year 2014-15 revenue is derived from the program revenues, while \$9.02 million, or 66%, is derived from general revenues such as taxes, rents, and interest.

CITY OF AUBURN
Management Discussion and Analysis
June 30, 2015

Program revenues are composed of fees and charges for service of \$955,540 that include permit revenues, fees and charges used to fund expenses incurred in providing services; and \$3.67 million of operating and capital grants and contributions which include gas tax, transportation development allocations, transportation grants, and public safety allocations and grants.

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

Business-type Activities

Business-type activities net position combined to increase by \$395,299 during Fiscal Year 2014-15. The majority of the increase in net position can be attributed to increased collections of operating revenues from a sewer rate increase and repayment of debt in both the Airport and Sewer enterprise funds.

Net position in the City’s Airport fund decreased by \$107 during Fiscal Year 2014-15. The nominal decrease is primarily attributable to increased operational costs of the Auburn Municipal Airport incurred for allocations of salaries, benefits, services, and supplies.

Net position in the City’s Sewer fund increased \$395,406 during Fiscal Year 2014-15. The increase can be attributed to net operating income which includes the effects of increased collections of sewer use charges, offset by a (\$543,960) which is the cumulative effect of a change in accounting principle for long-term pension obligations.

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.

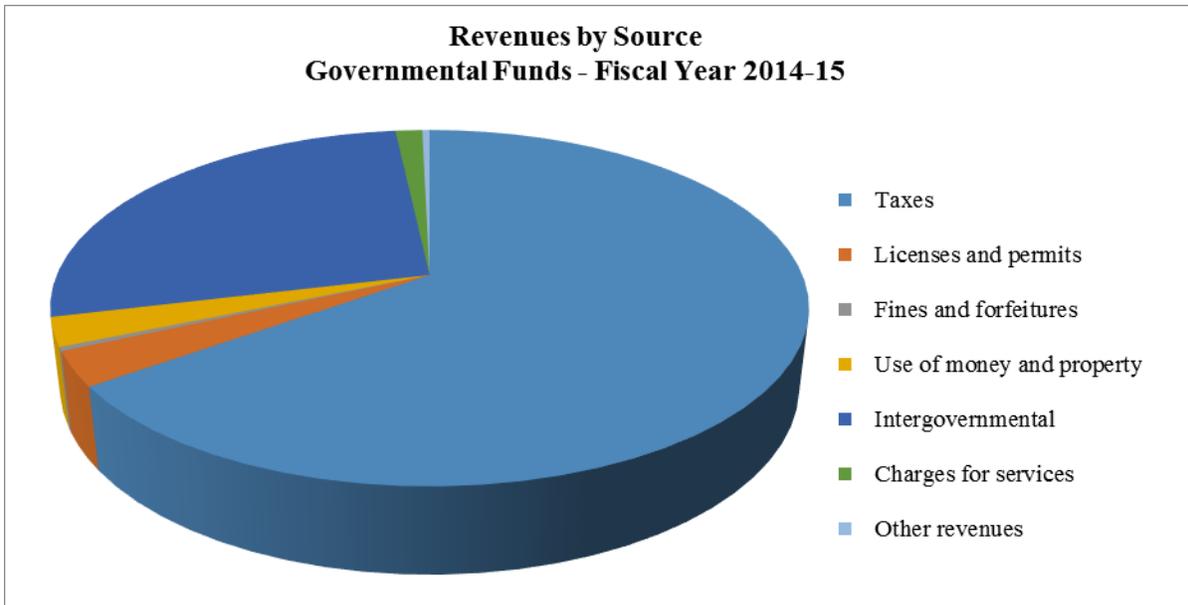
The following table represents the amount of governmental fund revenue from various sources:

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

	<u>2015</u>	<u>2014</u>	<u>Variance</u>	<u>% Change</u>
Revenues by Source:				
Taxes	\$ 8,871,408	\$ 7,970,718	\$ 900,690	11.30%
Licenses and permits	425,675	334,890	90,785	27.11%
Fines and forfeitures	48,391	50,287	(1,896)	-3.77%
Use of money and property	354,682	404,117	(49,435)	-12.23%
Intergovernmental	3,677,529	3,005,541	671,988	22.36%
Charges for services	185,680	143,464	42,216	29.43%
Other revenues	50,735	52,653	(1,918)	-3.64%
Total Revenues	<u>\$ 13,614,100</u>	<u>\$ 11,961,670</u>	<u>\$ 1,652,430</u>	<u>13.81%</u>

CITY OF AUBURN
Management Discussion and Analysis
June 30, 2015

- (1) Collections of taxes increased by \$900,690, primarily as a result of increasing tax revenue in the General fund from increased collections of property and sales taxes.
- (2) Collections of licenses and permits increased by \$90,785 due primarily to increased activity in building permit and development-related revenues.
- (3) Collections of fines, forfeitures and penalties decreased by \$1,896 due to lower collections of traffic and civil fines.
- (4) Collections of revenues related to the use of money and property decreased by \$49,435 due to decreased rates of return on the City's pool of investments.
- (5) Collections of intergovernmental revenues increased by \$671,988 due to grant revenues related to transportation and miscellaneous public safety grants.
- (6) Collections of charges for services increased by \$42,216 for activities like plan check, engineering review, and planning and zoning fees.
- (7) Collections of other revenues decreased by \$1,918.



CITY OF AUBURN
Management Discussion and Analysis
June 30, 2015

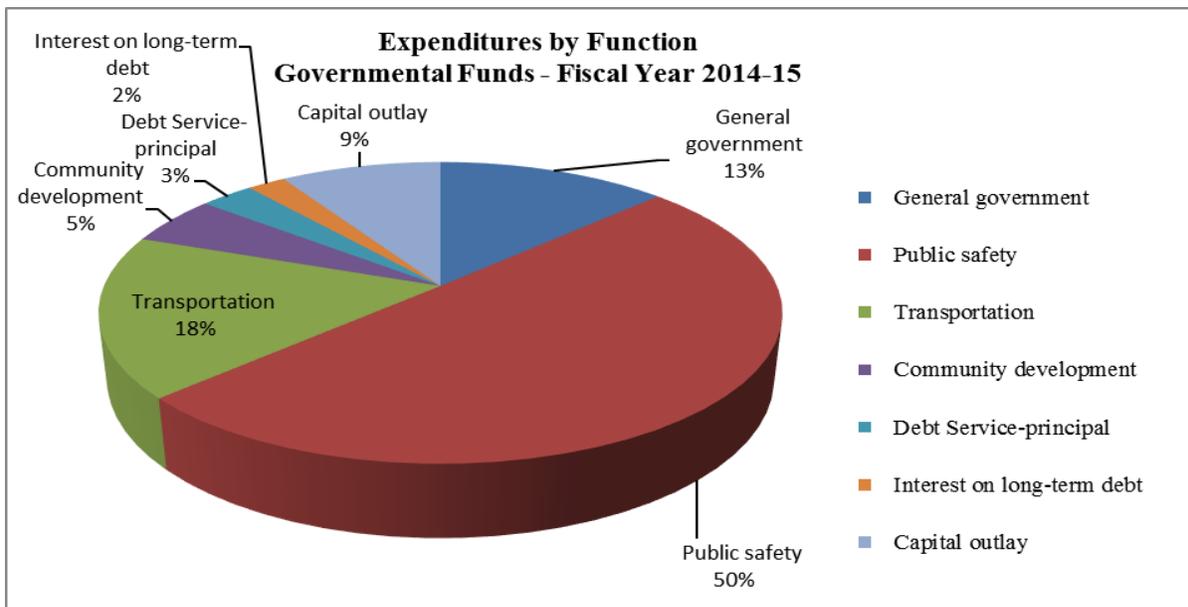
The following table presents expenditures by function:

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

Expenditures by Function	2015	2014	Variance	% Change
General government	\$ 1,535,156	\$ 1,285,454	\$ 249,702	19.43%
Public safety	5,970,331	6,135,398	(165,067)	-2.69%
Transportation	2,065,210	2,142,154	(76,944)	-3.59%
Community development	625,686	934,437	(308,751)	-33.04%
Debt Service-principal	359,490	331,993	27,497	8.28%
Interest on long-term debt	254,807	269,490	(14,683)	-5.45%
Capital outlay	1,073,781	1,030,225	43,556	4.23%
Total Expenditures	\$ 11,884,461	\$ 12,129,151	\$ (244,690)	-2.02%

The \$244,690 net decrease in governmental fund expenditures during the Fiscal Year 2014-15 can be primarily attributed to the following:

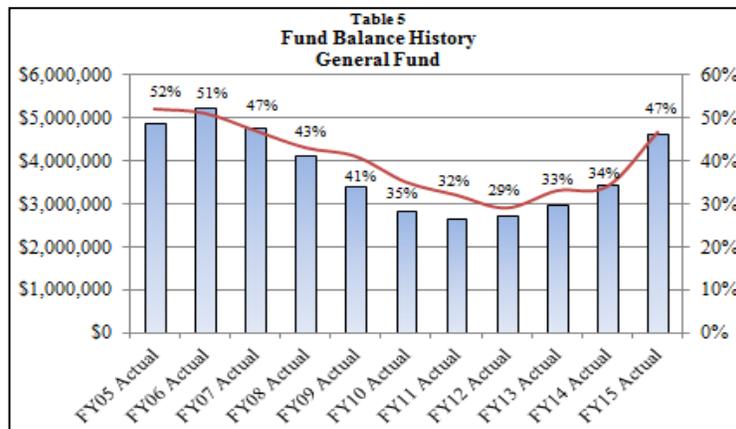
- (1) A \$165,067 decrease in public safety expenditures as part of a City reorganization plan to consolidate Police and Fire into a single Public Safety Department. The decrease in expenditures also takes into consideration the elimination of a Fire Chief position and the retention of three (3) firefighter positions despite losing the federal FEMA SAFER grant.
- (2) A \$308,751 decrease in community development expenditures as part of a City reorganization plan to consolidate the Community Development and Public Works departments into a single Planning and Public Works Department. This included the elimination of a community development director and building inspector position.



CITY OF AUBURN
Management Discussion and Analysis
June 30, 2015

The General fund is the main operating fund of the City, and accounts for general operations including public safety, community development, and administration. The City experienced an increase in tax revenue of 6.2%, or \$618,733. The beginning General fund fund balance for the Fiscal Year 2014-15 adopted budget was \$3,445,663 (as shown in the Required Supplemental Information). The adopted budget anticipated the use of fund balance in the amount of (\$206,802), for an adopted ending fund balance of \$3,238,861. Each year, the City Council approves mid-year adjustments to the budget including in Fiscal Year 2014-15. Budget adjustments were made to citywide revenues of sales tax and building permits based on actual collections.

Also, adjustments were done at a departmental level to account for Council and management directives to consolidate departments and pursue efficiencies within department operations. The Mid-Year adjustments increased revenue authority and decreased spending authority for the General fund, resulting in an anticipated ending General fund fund balance of \$3,559,569.



At June 30, 2015, committed and unassigned fund balance of the General Fund was \$4,551,958, while fund balance totaled \$4,635,345. Total fund balance increased by \$1,189,682 when compared to last year, primarily as a result of increased revenues from tax collections and management’s conscious decisions to reduce operational costs through department reorganization, consolidation and gaining efficiencies. The City has utilized fund balance to offset decreased revenues during the recent economic downturn and has now added increased fund balance for four consecutive years. This annual increase represents the largest annual increase to fund balance in the City’s history and has restored the General fund balance to pre-recession levels.

As measures of the General fund’s ability to meet operating expenditures, it is useful to note that committed and unassigned fund balance represents 47% of total General fund expenditures for Fiscal Year 2014-15.

CITY OF AUBURN
Management Discussion and Analysis
June 30, 2015

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

Table 6
General Fund Revenues by Source
For the Fiscal Years Ended June 30,

	<u>2015</u>	<u>2014</u>	<u>Variance</u>	<u>% Change</u>
Revenues by Source				
Taxes and assessments	\$ 8,770,371	\$ 7,948,762	\$ 821,609	10.34%
Licenses and permits	364,654	303,354	61,300	20.21%
Fines and forfeitures	48,391	50,287	(1,896)	-3.77%
Use of money and property	288,473	363,176	(74,703)	-20.57%
Other governmental agencies	885,852	1,138,425	(252,573)	-22.19%
Charges for services	156,426	112,663	43,763	38.84%
Other revenues	49,274	28,041	21,233	75.72%
Total Revenues	<u>\$ 10,563,441</u>	<u>\$ 9,944,708</u>	<u>\$ 618,733</u>	<u>6.22%</u>

Similarly, the following table presents expenditures, by source, within the General fund:

Table 7
General Fund Expenditures by Function
For the Fiscal Years Ended June 30,

	<u>2015</u>	<u>2014</u>	<u>Variance</u>	<u>% Change</u>
Expenditures by Function				
Current:				
General government	\$ 1,496,029	\$ 1,244,844	\$ 251,185	20.18%
Public safety	5,764,857	5,961,687	(196,830)	-3.30%
Transportation	961,639	1,127,835	(166,196)	-14.74%
Community Development	602,178	694,935	(92,757)	-13.35%
Debt Service:				
Principal	359,490	331,993	27,497	8.28%
Interest and other charges	254,807	269,490	(14,683)	-5.45%
Capital outlay	140,655	59,571	81,084	136.11%
Total Expenditures	<u>\$ 9,579,655</u>	<u>\$ 9,690,355</u>	<u>\$ (110,700)</u>	<u>-1.14%</u>

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

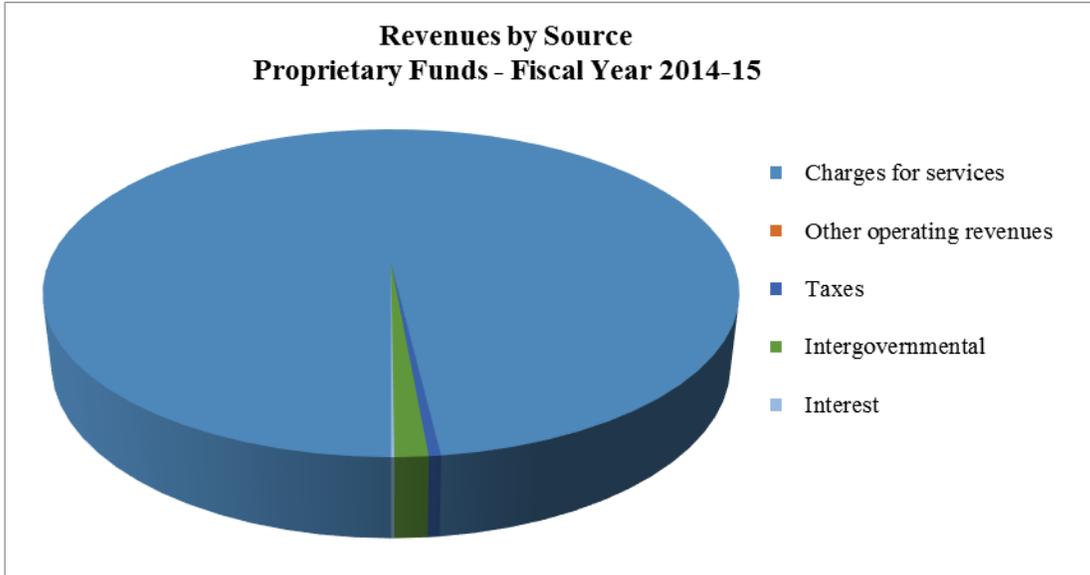
The following table presents the amount of revenue from various sources:

Table 8
Revenues Classified by Source
Proprietary Funds
For the Fiscal Years Ended June 30,

	<u>2015</u>	<u>2014</u>	<u>Variance</u>	<u>% Change</u>
Revenues by Source:				
Operating revenues				
Charges for services	\$ 6,306,384	\$ 5,890,987	\$ 415,397	7.05%
Other operating revenues	87	17,640	(17,553)	-99.51%
Non-operating revenues				
Taxes	30,326	47,364	(17,038)	-35.97%
Intergovernmental	84,249	86,311	(2,062)	-2.39%
Interest	8,076	38,063	(29,987)	-78.78%
Total Revenues	<u>\$ 6,429,122</u>	<u>\$ 6,080,365</u>	<u>\$ 348,757</u>	<u>5.74%</u>

CITY OF AUBURN
Management Discussion and Analysis
June 30, 2015

Total revenues for business-type activities increased approximately \$348,757 from Fiscal Year 2013-14 to Fiscal Year 2014-15. The increase is primarily due to increased charges for services related to collections of sewer fees pursuant to a rate increase implemented at the beginning of Fiscal Year 2014-15.



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

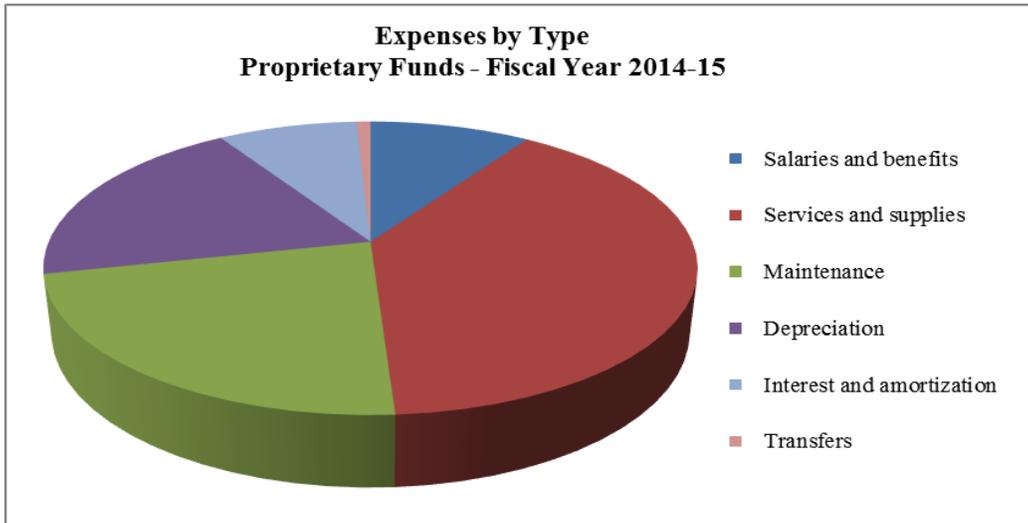
Table 9
Expenses by Type
Proprietary Funds
For the Fiscal Years Ended June 30,

Expenses by Type:	2015	2014	Variance	% Change
Operating expenses				
Salaries and benefits	\$ 518,654	\$ 500,037	\$ 18,617	3.72%
Services and supplies	2,170,820	3,643,136	(1,472,316)	-40.41%
Maintenance	1,236,084	71,212	1,164,872	1635.78%
Depreciation	1,068,691	1,044,954	23,737	2.27%
Non-operating expenses				
Interest and amortization	450,553	462,619	(12,066)	-2.61%
Transfers	44,974	57,454	(12,480)	-21.72%
Total Expenses	\$ 5,489,776	\$ 5,779,412	\$ (289,636)	-5.01%

The \$289,636 net decrease in business-type activity fund expenses during Fiscal Year 2014-15 can be primarily attributed to the following:

- (1) A \$1,472,316 decrease in services and supplies costs due to reduced sewer service repair costs;
- (2) A \$1,164,872 increase in maintenance expenses related to Sewer and Airport enterprise operations.

CITY OF AUBURN
Management Discussion and Analysis
June 30, 2015



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 10
Capital Assets at End of Fiscal Year

	Governmental Activities		Business-Type Activities	
	2015	2014	2015	2014
Land	\$ 350,000	\$ -	\$ 2,874,395	\$ 2,874,395
Infrastructure	6,314,227	6,314,227	23,322,449	23,130,936
Buildings and improvements	5,261,972	5,261,972	-	-
Equipment	7,263,172	7,429,559	2,139,439	2,040,349
Land improvements	15,001,342	13,141,046	-	-
Construction in progress	594,432	1,457,984	11,593,758	11,047,397
Accumulated depreciation	(13,437,612)	(12,335,972)	(12,377,301)	(11,308,610)
Total	<u>\$ 21,347,533</u>	<u>\$ 21,268,816</u>	<u>\$ 27,552,740</u>	<u>\$ 27,784,467</u>

The City's investment in capital assets for its governmental activities as of June 30, 2015 totaled approximately \$21.35 million (net of accumulated depreciation). The City's investment in capital assets for its business-type activities as of June 30, 2015 totaled approximately \$27.55 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, 2015 include:

- (1) \$946,174 in sewer repair projects to improve the wastewater system
- (2) \$504,644 to begin work on the Oxidation Ditch at the Wastewater Treatment Plant
- (3) \$215,207 to start construction of 2,600 feet of sidewalk for the Nevada Street Sidewalk Project
- (4) Completion of the Palm Avenue Sidewalk Project

CITY OF AUBURN
Management Discussion and Analysis
June 30, 2015

- (5) Processing payment #2 of 5 for a new fire engine (purchased in 2012)
- (6) Technology and lighting upgrades to the City Council Chamber
- (7) Completed renovations and ADA improvements at the Old City Hall facility
- (8) Leased two (2) new police vehicles for the Public Safety 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, 2015.

Table 11
Long-Term Debt

	Governmental Activities		Business-Type Activities	
	2015	2014	2015	2014
Pension obligation bonds	\$ 3,930,000	\$ 4,130,000	\$ -	\$ -
Loans payable	-	-	1,507,628	1,845,752
Revenue bonds	-	-	7,401,377	7,567,683
Capital leases	293,866	453,356	-	-
Compensated absences	1,440,684	1,524,634	86,265	77,955
Net pension liability	9,936,768	-	427,257	-
Postemployment benefits	536,715	431,109	14,952	10,403
Total	\$ 16,138,033	\$ 6,539,099	\$ 9,437,479	\$ 9,501,793

The City’s total long-term debt for governmental activities increased by approximately \$9,598,934 primarily as a result of the cumulative effect of a change in accounting principle for reporting long-term pension obligations. Excluding the net pension liability, the remaining long-term debt for governmental activities is \$6,201,265, a decrease of \$337,834. This decrease is primarily due to principal and interest payments made for pension obligation bonds, capital leases and compensated absences.

The City’s total debt for its business-type activities decreased \$64,314 primarily as a result of contributions towards outstanding loans, and making principal and interest payments on outstanding revenue bonds for debt service related to the City’s Wastewater Treatment Facility Upgrade.

Additional information on the City’s long-term debt is presented in Note 6 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 July 2014. Subsequent to the adoption of the annual budget, the budget was reviewed in April 2015 and necessary budget adjustments were approved by City Council.

For the General fund, the Fiscal Year 2014-15 original budget was approved in July 2014, and estimated approximately \$9.42 million in revenue sources and allocated \$9.78 million in appropriations. This original budget anticipated the use of \$206,802 in fund balance. During the first six months of the fiscal year, primarily as a result of disciplined management decisions regarding long-term sustainability of the organization, the City made major changes to affect expenditures adopted in the budget. Simultaneously, actual collections of revenues for the fiscal year amounted to \$10.56 million and actual expenditures incurred amounted to only \$9.58 million.

CITY OF AUBURN
Management Discussion and Analysis
June 30, 2015

At the end of the fiscal year, \$1,189,682 was added to General fund balance, leading to an ending total fund balance in the General fund of \$4,635,345.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The budget developed for Fiscal Year 2015-16 was adopted by the City Council on June 8, 2015. The General fund budget approved by the City Council anticipates \$10,188,008 in revenues and \$9,948,033 in expenditures, with approximately \$239,975 surplus which is directed to unassigned fund balance. 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, local business expansion, and a continued recovery in the residential real estate market citywide. The Fiscal Year 2015-16 General fund budget also anticipates increasing expenditures for employee salaries, medical insurance (8.5% increase), and several years of increased costs related to pension obligations. 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 2015-16.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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

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

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Basic Financial Statements

- **Government-Wide Financial Statements**

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CITY OF AUBURN
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 5,193,456	\$ 8,996,138	\$ 14,189,594
Receivables:			
Accounts	110,628	54,939	165,567
Interest	40	-	40
Taxes	1,034,654	-	1,034,654
Intergovernmental	448,893	231,571	680,464
Prepaid costs	85,956	132,123	218,079
Due from other agencies	15,576	-	15,576
Investment in JPA	127,663	-	127,663
Restricted cash and investments	605,602	1,558,595	2,164,197
Loans receivable	610,874	-	610,874
Capital assets:			
Non-depreciable	944,432	14,468,153	15,412,585
Depreciable, net	20,403,101	13,084,587	33,487,688
Total capital assets	<u>21,347,533</u>	<u>27,552,740</u>	<u>48,900,273</u>
Total Assets	<u>29,580,875</u>	<u>38,526,106</u>	<u>68,106,981</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension adjustments	<u>1,253,828</u>	<u>37,907</u>	<u>1,291,735</u>
Total Deferred Outflows of Resources	<u>1,253,828</u>	<u>37,907</u>	<u>1,291,735</u>
LIABILITIES			
Accounts payable	256,470	177,756	434,226
Accrued salaries and benefits	331,196	15,349	346,545
Accrued interest payable	208,024	39,318	247,342
Deposits payable	45,672	14,125	59,797
Long-term liabilities:			
Due within one year	813,840	529,922	1,343,762
Due in more than one year	<u>15,324,193</u>	<u>8,907,557</u>	<u>24,231,750</u>
Total Liabilities	<u>16,979,395</u>	<u>9,684,027</u>	<u>26,663,422</u>
DEFERRED INFLOWS OF RESOURCES			
Pension adjustments	<u>3,387,891</u>	<u>158,918</u>	<u>3,546,809</u>
Total Deferred Inflows of Resources	<u>3,387,891</u>	<u>158,918</u>	<u>3,546,809</u>
NET POSITION			
Net investment in capital assets	21,053,667	18,643,735	39,697,402
Restricted for:			
General government	94,333	-	94,333
Public safety	793,648	-	793,648
Transportation	231,790	-	231,790
Community development	883,730	-	883,730
Capital projects	1,409,669	-	1,409,669
Debt service	-	559,263	559,263
Unrestricted	<u>(13,999,420)</u>	<u>9,518,070</u>	<u>(4,481,350)</u>
Total Net Position	<u>\$ 10,467,417</u>	<u>\$ 28,721,068</u>	<u>\$ 39,188,485</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, 2015

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,889,941	\$ 580,477	\$ -	\$ -
Public safety	6,053,257	21,097	970,614	19,666
Transportation	2,137,436	353,966	2,613,975	-
Recreation and culture	-	-	61,348	-
Community development	1,513,541	-	6,269	-
Interest on long-term debt	243,174	-	-	-
Total Governmental Activities	11,837,349	955,540	3,652,206	19,666
Business-Type activities:				
Airport	760,253	652,827	84,249	-
Sewer	4,684,549	5,653,470	-	-
Total Business-Type Activities	5,444,802	6,306,297	84,249	-
Total	\$ 17,282,151	\$ 7,261,837	\$ 3,736,455	\$ 19,666

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

Prior period adjustment

Cumulative effect of 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
\$ (1,309,464)	\$ -	\$ (1,309,464)
(5,041,880)	-	(5,041,880)
830,505	-	830,505
61,348	-	61,348
(1,507,272)	-	(1,507,272)
(243,174)	-	(243,174)
<u>(7,209,937)</u>	<u>-</u>	<u>(7,209,937)</u>
-	(23,177)	(23,177)
-	968,921	968,921
<u>-</u>	<u>945,744</u>	<u>945,744</u>
<u>(7,209,937)</u>	<u>945,744</u>	<u>(6,264,193)</u>
3,311,186	30,326	3,341,512
3,291,054	-	3,291,054
1,291,045	-	1,291,045
663,639	-	663,639
241,158	-	241,158
64,218	-	64,218
5,657	-	5,657
58,888	8,076	66,964
50,735	87	50,822
44,974	(44,974)	-
<u>9,022,554</u>	<u>(6,485)</u>	<u>9,016,069</u>
<u>1,812,617</u>	<u>939,259</u>	<u>2,751,876</u>
24,912,300	28,325,769	53,238,069
452,584	-	452,584
<u>(16,710,084)</u>	<u>(543,960)</u>	<u>(17,254,044)</u>
<u>8,654,800</u>	<u>27,781,809</u>	<u>36,436,609</u>
<u>\$ 10,467,417</u>	<u>\$ 28,721,068</u>	<u>\$ 39,188,485</u>

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Basic Financial Statements

- **Fund Financial Statements**

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CITY OF AUBURN
Balance Sheet
Governmental Funds
June 30, 2015

	<u>General Fund</u>	<u>Transportation</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
ASSETS				
Cash and investments	\$ 2,888,319	\$ -	\$ 2,305,137	\$ 5,193,456
Receivables:				
Accounts	73,829	540	36,259	110,628
Interest	40	-	-	40
Taxes	1,034,654	-	-	1,034,654
Intergovernmental	270,991	139,628	38,274	448,893
Due from other funds	620,698	-	-	620,698
Prepaid costs	83,387	-	2,569	85,956
Investment in JPA	127,663	-	-	127,663
Restricted cash and investments	107,219	-	498,383	605,602
Loans receivable	-	-	610,874	610,874
	<u>5,206,800</u>	<u>140,168</u>	<u>3,491,496</u>	<u>8,838,464</u>
Total Assets	\$ 5,206,800	\$ 140,168	\$ 3,491,496	\$ 8,838,464
LIABILITIES				
Accounts payable	\$ 206,628	\$ 16,200	\$ 33,642	\$ 256,470
Accrued salaries and benefits	320,473	-	10,723	331,196
Deposits payable	44,354	-	1,318	45,672
Due to other funds	-	331,187	273,935	605,122
	<u>571,455</u>	<u>347,387</u>	<u>319,618</u>	<u>1,238,460</u>
Total Liabilities	571,455	347,387	319,618	1,238,460
FUND BALANCES				
Nonspendable	83,387	-	2,569	85,956
Restricted	-	-	3,410,601	3,410,601
Committed	2,250,000	-	-	2,250,000
Unassigned	2,301,958	(207,219)	(241,292)	1,853,447
	<u>4,635,345</u>	<u>(207,219)</u>	<u>3,171,878</u>	<u>7,600,004</u>
Total Fund Balances	4,635,345	(207,219)	3,171,878	7,600,004
Total Liabilities and Fund Balances	\$ 5,206,800	\$ 140,168	\$ 3,491,496	\$ 8,838,464

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, 2015

Total Fund Balance - Total Governmental Funds	\$ 7,600,004
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 governmental funds.	21,347,533
Deferred outflows of resources related to pensions are not reported in the governmental funds.	1,253,828
Deferred inflows of resources related to pensions are not reported in the governmental funds.	(3,387,891)
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.	(208,024)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Pension obligation bonds payable	(3,930,000)
Capital leases payable	(293,866)
Compensated absences	(1,440,684)
Net OPEB obligation	(536,715)
Net pension liability	<u>(9,936,768)</u>
Net Position of Governmental Activities	<u>\$ 10,467,417</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, 2015

	<u>General Fund</u>	<u>Transportation</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
REVENUES				
Taxes	\$ 8,770,371	\$ -	\$ 101,037	\$ 8,871,408
Licenses and permits	364,654	-	61,021	425,675
Fines and forfeitures	48,391	-	-	48,391
Use of money and property	288,473	4,931	61,278	354,682
Intergovernmental	885,852	1,594,015	1,197,662	3,677,529
Charges for services	156,426	-	29,254	185,680
Other revenues	49,274	-	1,461	50,735
Total Revenues	<u>10,563,441</u>	<u>1,598,946</u>	<u>1,451,713</u>	<u>13,614,100</u>
EXPENDITURES				
Current:				
General government	1,496,029	-	39,127	1,535,156
Public safety	5,764,857	-	205,474	5,970,331
Transportation	961,639	163,744	939,827	2,065,210
Community development	602,178	-	23,508	625,686
Debt service:				
Principal	359,490	-	-	359,490
Interest and other charges	254,807	-	-	254,807
Capital outlay	140,655	878,107	55,019	1,073,781
Total Expenditures	<u>9,579,655</u>	<u>1,041,851</u>	<u>1,262,955</u>	<u>11,884,461</u>
Excess of Revenues Over (Under) Expenditures	<u>983,786</u>	<u>557,095</u>	<u>188,758</u>	<u>1,729,639</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	205,896	-	-	205,896
Transfers out	-	(9,790)	(151,132)	(160,922)
Total Other Financing Sources (Uses)	<u>205,896</u>	<u>(9,790)</u>	<u>(151,132)</u>	<u>44,974</u>
Net Change in Fund Balances	<u>1,189,682</u>	<u>547,305</u>	<u>37,626</u>	<u>1,774,613</u>
Fund Balances - Beginning	3,445,663	(754,524)	3,086,575	5,777,714
Prior period adjustment	-	-	47,677	47,677
Fund Balances - Beginning, Restated	<u>3,445,663</u>	<u>(754,524)</u>	<u>3,134,252</u>	<u>5,825,391</u>
Fund Balances - Ending	<u>\$ 4,635,345</u>	<u>\$ (207,219)</u>	<u>\$ 3,171,878</u>	<u>\$ 7,600,004</u>

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

CITY OF AUBURN
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ 1,774,613
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	1,073,781
Miscellaneous adjustment of capital assets	(9,108)
Less: current year depreciation	(1,390,863)
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	359,490
Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental funds.	
Change in deferred outflows of resources related to pensions	16,810
Change in deferred inflows of resources related to pensions	(3,164,772)
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	83,950
Change in net OPEB obligation	(105,606)
Change in accrued interest payable	11,633
Change in net pension liability	3,162,689
Change in Net Position of Governmental Activities	\$ 1,812,617

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, 2015

	Business-Type Activities		
	Enterprise Funds		
	Airport	Sewer	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ 938,541	\$ 8,057,597	\$ 8,996,138
Receivables:			
Accounts	29,448	25,491	54,939
Intergovernmental	-	231,571	231,571
Prepaid costs	78	132,045	132,123
Total Current Assets	968,067	8,446,704	9,414,771
Noncurrent Assets:			
Restricted cash and investments	14,875	1,543,720	1,558,595
Capital assets:			
Non-depreciable	6,685,892	7,782,261	14,468,153
Depreciable, net	3,901,837	9,182,750	13,084,587
Total Noncurrent Assets	10,602,604	18,508,731	29,111,335
Total Assets	11,570,671	26,955,435	38,526,106
DEFERRED OUTFLOWS OF RESOURCES			
Pension adjustments	-	37,907	37,907
Total Deferred Outflows of Resources	-	37,907	37,907
LIABILITIES			
Current Liabilities:			
Accounts payable	13,376	164,380	177,756
Accrued salaries and benefits	1,143	14,206	15,349
Accrued interest payable	6,220	33,098	39,318
Deposits payable	14,125	-	14,125
Compensated absences payable	-	15,354	15,354
Bonds payable	-	171,307	171,307
Loans payable	108,067	235,194	343,261
Total Current Liabilities	142,931	633,539	776,470
Noncurrent Liabilities:			
Compensated absences payable	-	70,911	70,911
Bonds payable	-	7,230,070	7,230,070
Loans payable	169,560	994,807	1,164,367
Net pension liability	-	427,257	427,257
Net OPEB obligation	-	14,952	14,952
Total Noncurrent Liabilities	169,560	8,737,997	8,907,557
Total Liabilities	312,491	9,371,536	9,684,027
DEFERRED INFLOWS OF RESOURCES			
Pension adjustments	-	158,918	158,918
Total Deferred Inflows of Resources	-	158,918	158,918

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, 2015

	Business-Type Activities Enterprise Funds		
	Airport	Sewer	Totals
NET POSITION			
Net investment in capital assets	10,310,102	8,333,633	18,643,735
Restricted for debt service	-	559,263	559,263
Unrestricted	948,078	8,569,992	9,518,070
Total Net Position	\$ 11,258,180	\$ 17,462,888	\$ 28,721,068

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, 2015

	Business-Type Activities		
	Enterprise Funds		
	Airport	Sewer	Totals
OPERATING REVENUES			
Charges for services:			
User fees and charges	\$ 52,654	\$ 5,546,397	\$ 5,599,051
Connection fees	-	107,073	107,073
Rents and concessions	600,173	-	600,173
Other revenues	87	-	87
Total Operating Revenues	652,914	5,653,470	6,306,384
OPERATING EXPENSES			
Salaries and benefits	139,343	379,311	518,654
Services and supplies	164,090	2,006,730	2,170,820
Maintenance	67,405	1,168,679	1,236,084
Depreciation	374,009	694,682	1,068,691
Total Operating Expenses	744,847	4,249,402	4,994,249
Operating Income (Loss)	(91,933)	1,404,068	1,312,135
NONOPERATING REVENUES (EXPENSES)			
Taxes	30,326	-	30,326
Intergovernmental	84,249	-	84,249
Interest income	-	8,076	8,076
Interest expense	(15,406)	(431,454)	(446,860)
Amortization	-	(3,693)	(3,693)
Total Nonoperating Revenues (Expenses)	99,169	(427,071)	(327,902)
Income (Loss) before Transfers	7,236	976,997	984,233
Transfers out	(7,343)	(37,631)	(44,974)
Change in Net Position	(107)	939,366	939,259
Total Net Position - Beginning	11,258,287	17,067,482	28,325,769
Cumulative effect of a change in accounting principle	-	(543,960)	(543,960)
Total Net Position - Beginning, Restated	11,258,287	16,523,522	27,781,809
Total Net Position - Ending	\$ 11,258,180	\$ 17,462,888	\$ 28,721,068

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, 2015

	Business-Type Activities		
	Enterprise Funds		
	Airport	Sewer	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 626,408	\$ 5,627,979	\$ 6,254,387
Other receipts	87	-	87
Payments to suppliers	(234,521)	(3,105,729)	(3,340,250)
Payments to employees	(139,244)	(358,447)	(497,691)
Net Cash Provided (Used) by Operating Activities	252,730	2,163,803	2,416,533
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Taxes received	30,326	-	30,326
Noncapital grants received	84,249	7,665	91,914
Transfers to other funds	(7,343)	(37,631)	(44,974)
Net Cash Provided (Used) by Noncapital Financing Activities	107,232	(29,966)	77,266
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(205,630)	(631,334)	(836,964)
Principal paid on capital debt	(102,930)	(452,234)	(555,164)
Interest paid on capital debt	(17,865)	(383,589)	(401,454)
Net Cash Provided (Used) for Capital and Related Financing Activities	(326,425)	(1,467,157)	(1,793,582)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	-	8,076	8,076
Net Cash Provided (Used) by Investing Activities	-	8,076	8,076
Net Increase (Decrease) in Cash and Cash Equivalents	33,537	674,756	708,293
Balances - Beginning	919,879	8,926,561	9,846,440
Balances - Ending	\$ 953,416	\$ 9,601,317	\$10,554,733

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, 2015

	Business-Type Activities Enterprise Funds		
	Airport	Sewer	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (91,933)	\$ 1,404,068	\$ 1,312,135
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	374,009	694,682	1,068,691
Decrease (Increase) in:			
Accounts receivable	(26,419)	(25,491)	(51,910)
Prepaid costs	(78)	(746)	(824)
Pension adjustments - deferred outflows of resources	-	14,698	14,698
Increase (Decrease) in:			
Accounts payable	(3,148)	70,426	67,278
Accrued salaries and benefits	99	3,697	3,796
Deposits payable	200	-	200
Compensated absences payable	-	8,310	8,310
Pension adjustments - deferred inflows of resources	-	133,621	133,621
Net OPEB obligation	-	4,549	4,549
Net pension liability	-	(144,011)	(144,011)
Net Cash Provided (Used) by Operating Activities	\$ 252,730	\$ 2,163,803	\$ 2,416,533
 NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Amortization of discounts			\$ 3,693

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, 2015

	Other Employee Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and investments	\$ 10,440	\$ 384,383	\$ 258,824
Receivables:			
Accounts	-	624	1,750
Intergovernmental	-	-	5,050
Capital assets:			
Non-depreciable	-	350,000	-
Total Assets	\$ 10,440	\$ 735,007	\$ 265,624
LIABILITIES			
Accounts payable	\$ 10,440	\$ 325	\$ 20,342
Interest payable	-	20,578	-
Deposits payable	(17,434)	-	-
Due to other funds	-	15,576	-
Agency obligations	-	-	245,282
Long-term debt:			
Due within one year	-	86,577	-
Due in more than one year	-	3,979,707	-
Total Liabilities	(6,994)	4,102,763	265,624
NET POSITION			
Net position held in trust	17,434	(3,367,756)	-
Total Net Position	\$ 17,434	\$ (3,367,756)	\$ -

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, 2015

	Other Employee Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS		
Property taxes	\$ -	\$ 433,815
Interest and investment income	37,466	227,157
Other contributions	-	57,642
	37,466	718,614
DEDUCTIONS		
Distributions to participants	39,535	69,739
Program expenses of former redevelopment agency	-	282,803
Interest expense	-	246,511
Amortization	-	3,423
	39,535	602,476
Total Deductions	39,535	602,476
Change in Net Position	(2,069)	116,138
Net Position - Beginning	19,503	(3,483,894)
Net Position - Ending	\$ 17,434	\$ (3,367,756)

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

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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, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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.

Discretely Presented Component Units

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Joint Agencies

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

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

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

B. Basis of Presentation

Government-Wide Financial Statements

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

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.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

The City reports the following additional fund types:

- The Other Employee Benefit Trust fund accounts for the APOA Medical Savings Plan. In compliance with GASB 43, the City established this trust to account for resources held in trust for the members of an employee benefit plan.
- 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, Auburn Arts Commission, the Southwest Specific Plan, and the Successor Agency to the Auburn Urban Development Authority.
- The Agency funds account for resources held by the City as a trustee or an agent for individuals, private organizations, and other governmental entities. These resources include payroll deduction and collection clearing funds and various fees collected on behalf of other agencies.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash, Cash Equivalents, and Investments (Continued)

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

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

F. Restricted Cash and Investments

Restricted assets in the governmental funds represents cash and investments held in the General fund for security deposits of \$107,219 and in the Solid Waste Management fund for future postclosure costs of \$498,383. Restricted assets in the proprietary funds represent cash and investments held in the Airport fund for tenant deposits of \$14,875 and in the Sewer fund for debt service of \$1,543,720.

G. Receivables

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

Receivables for enterprise funds consist mainly of user fees and intergovernmental revenues. 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

Payments made for services that will benefit periods beyond June 30, 2015, are recorded as prepaid costs in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

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. The City reported \$610,874 in loans receivable as of June 30, 2015.

J. Capital Assets

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

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

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

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

K. Property Tax

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

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

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

L. Interfund Transactions

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Interfund Transactions (Continued)

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. Pensions

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. 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. The City has one item that qualifies for reporting in this category. This item relates to the pension adjustments and is reportable on the Statement of Net Position.

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. The government has two types of items which qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item relates to the pension adjustments and is reportable on the Statements of Net Position.

Q. 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.

R. 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. 68, Accounting and Financial Reporting for Pensions. This statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

Statement No. 69, Government Combinations and Disposals of Government Operations. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations.

Statement No. 71, Pension Transition for Contributions made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68. This Statement addresses an issue regarding application of the transition provisions of Statement No. 68.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

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 a restatement of beginning net position. During the current year adjustments were required to correct a prior year misstatement of capital assets and loans receivable. In addition, a prior period adjustment was made to reflect the prior period costs related to implementing the net pension liability as required by GASB 68.

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

	Governmental Activities	Business-Type Activities
Net Position, June 30, 2014 as previously reported	\$ 24,912,300	\$ 28,325,769
Adjustment associated with:		
Correction of Capital Assets	404,907	-
Correction of loan Receivables	47,677	-
Net Pension Liability Adjustment	(12,085,558)	(543,960)
Net Pension Asset Adjustment	(4,624,526)	-
Total Adjustments	(16,257,500)	(543,960)
Net Position, July 1, 2014, as restated	\$ 8,654,800	\$ 27,781,809

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

	Sewer
Net Position, June 30, 2014, as previously reported	\$ 17,067,482
Adjustment associated with:	
Net Pension Liability Adjustment	(543,960)
Total Adjustments	(543,960)
Net Position, July 1, 2014, as restated	\$ 16,523,522

B. Deficit Fund Balance

The following major governmental fund had a deficit fund balance:

- The Transportation fund had a fund balance deficit of \$207,219 which is expected to be eliminated in future years through intergovernmental revenues.

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

- The State Law Enforcement Grant fund had a fund balance deficit of \$754, which is expected to be eliminated in the future through intergovernmental revenues.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Deficit Fund Balance (Continued)

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

- The Auburn School Park Preserve fund had a fund balance deficit of 239,220, 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. Rebatable 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, 2015.

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2015, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 5,799,058
Business type activities	10,554,733
Fiduciary funds	<u>653,647</u>
Total Cash and Investments	<u>\$ 17,007,438</u>

As of June 30, 2015, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 250
Deposits (less outstanding checks)	8,520,020
Deposits with fiscal agents	<u>1,882,721</u>
Total Cash	<u>10,402,991</u>
Investments:	
In City's pool	<u>6,604,447</u>
Total Investments	<u>6,604,447</u>
Total Cash and Investments	<u>\$ 17,007,438</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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 \$10,402,741 and the bank balance was \$9,504,129. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition the City had cash on hand of \$250.

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

C. Investments

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

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

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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, 2015, 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	.97-1.25%	\$ -	\$ 3,991,095	\$ 3,991,095	2.45
Corporate Bonds	6.625%	14,238	-	14,238	(3.45) (1)
Certificates of Deposit	.30%	250,000	-	250,000	.30
Placer County Investment Pool	Variable	2,306,514	-	2,306,514	-
Local Agency Investment Fund (LAIF)	Variable	42,600	-	42,600	-
Total Investments		<u>\$ 2,613,352</u>	<u>\$ 3,991,095</u>	<u>\$ 6,604,447</u>	<u>1.48</u>

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.

Investment Type	Minimum Legal Rating	Standard & Poor's Rating	Moody's Rating	% of Portfolio
Federal Farm Credit Bank	N/A	AA+	Aaa	37.81%
Federal Home Loan Bank	N/A	AA+	Aaa	7.57%
Federal National Mortgage Association	N/A	AA+	Aaa	15.05%
Corporate bonds	A	WR (1)	WR(1)	.22%
Certificates of deposit	N/A	Unrated	Unrated	3.79%
Placer County Investment Pool	N/A	Unrated	Unrated	34.92%
LAIF	N/A	Unrated	Unrated	.64%
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.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and eternal investment pools) at June 30, 2015, 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	\$ 2,496,890	37.81%
Federal Home Loan Bank	500,055	7.57%
Federal National Mortgage Association	994,150	15.05%

D. Investment in External Investment Pools

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

Investment in Local Agency Investment Fund - The City of Auburn is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code and is managed by the Treasurer of the State of California. The Local Investment Advisory Board (LAIF Board) has oversight responsibility for LAIF. The LAIF Board consists of five members as designated by State statute. Investments in LAIF are available on demand and are stated at amortized cost, which approximates fair value. The fair value of the City's position in the pool is the same as the value of the pooled shares. At June 30, 2015 the City's investment position in LAIF was \$42,600. The total amount invested by all public agencies in LAIF on that day was \$69,606,487,716. Of that amount, 97.92% is invested in non-derivative financial products and 2.08% in structured notes and asset-backed securities.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015, was as follows:

Governmental Activities

	Balance July 1, 2014	Additions	Adjustments/ Retirements	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	\$ -	\$ -	\$ 350,000	\$ 350,000
Construction in progress	<u>1,457,984</u>	<u>985,570</u>	<u>(1,849,122)</u>	<u>594,432</u>
Total Capital Assets, Not Being Depreciated	<u>1,457,984</u>	<u>985,570</u>	<u>(1,499,122)</u>	<u>944,432</u>
Capital assets, being depreciated:				
Infrastructure	6,314,227	-	-	6,314,227
Buildings and improvements	5,261,972	-	-	5,261,972
Equipment	7,429,559	88,211	(254,598)	7,263,172
Land improvements	<u>13,141,046</u>	<u>-</u>	<u>1,860,296</u>	<u>15,001,342</u>
Total Capital Assets, Being Depreciated	<u>32,146,804</u>	<u>88,211</u>	<u>1,605,698</u>	<u>33,840,713</u>
Less accumulated depreciation for:				
Infrastructure	(2,018,140)	(351,374)	-	(2,369,514)
Buildings and improvements	(2,461,258)	(112,995)	-	(2,574,253)
Equipment	(5,576,972)	(303,371)	289,223	(5,591,120)
Land improvements	<u>(2,279,602)</u>	<u>(623,123)</u>	<u>-</u>	<u>(2,902,725)</u>
Total Accumulated Depreciation	<u>(12,335,972)</u>	<u>(1,390,863)</u>	<u>289,223</u>	<u>(13,437,612)</u>
Total Capital Assets, Being Depreciated, Net	<u>19,810,832</u>	<u>(1,302,652)</u>	<u>1,894,921</u>	<u>20,403,101</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,268,816</u>	<u>(\$ 317,082)</u>	<u>\$ 395,799</u>	<u>\$ 21,347,533</u>

Business-Type Activities

	Balance July 1, 2014	Additions	Transfers/ Retirements	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 2,874,395	\$ -	\$ -	\$ 2,874,395
Construction in progress	<u>11,047,397</u>	<u>737,874</u>	<u>(191,513)</u>	<u>11,593,758</u>
Total Capital Assets, Not Being Depreciated	<u>13,921,792</u>	<u>737,874</u>	<u>(191,513)</u>	<u>14,468,153</u>
Capital assets, being depreciated:				
Infrastructure	23,130,936	-	191,513	23,322,449
Equipment	<u>2,040,349</u>	<u>99,090</u>	<u>-</u>	<u>2,139,439</u>
Total Capital Assets, Being Depreciated	<u>25,171,285</u>	<u>99,090</u>	<u>191,513</u>	<u>25,461,888</u>
Less accumulated depreciation for:				
Infrastructure	(9,672,817)	(975,201)	-	(10,648,018)
Equipment	<u>(1,635,793)</u>	<u>(93,490)</u>	<u>-</u>	<u>(1,729,283)</u>
Total Accumulated Depreciation	<u>(11,308,610)</u>	<u>(1,068,691)</u>	<u>-</u>	<u>(12,377,301)</u>
Total Capital Assets, Being Depreciated, Net	<u>13,862,675</u>	<u>(969,601)</u>	<u>191,513</u>	<u>13,084,587</u>
Business-Type Activities Capital Assets, Net	<u>\$ 27,784,467</u>	<u>(\$ 231,727)</u>	<u>\$ -</u>	<u>\$ 27,552,740</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 4: CAPITAL ASSETS (CONTINUED)

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 126,015
Public safety	192,725
Transportation	193,710
Community development	<u>878,413</u>
Total Depreciation Expense – Governmental Functions	<u>\$ 1,390,863</u>

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

Airport	\$ 374,009
Sewer	<u>694,682</u>
Total Depreciation Expense – Business-Type Functions	<u>\$ 1,068,691</u>

Construction in Progress

Construction in progress for governmental activities relates primarily to work performed on Nevada St. Bicycle Project, Aeolia Storm drain, 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.

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, 2015:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 620,698	\$ -
Transportation	-	331,187
Nonmajor Governmental Funds	-	273,935
Private Purpose Trust Funds	<u>-</u>	<u>15,576</u>
Total	<u>\$ 620,698</u>	<u>\$ 620,698</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations, and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2015:

	Transfer In	Transfer Out
General Fund	\$ 205,896	\$ -
Transportation	-	9,790
Nonmajor Governmental Funds	-	151,132
Airport	-	7,343
Sewer	-	37,631
Total	\$ 205,896	\$ 205,896

NOTE 6: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

Type of Indebtedness	Balance July 1, 2014	Additions/ Adjustments	Retirements/ Adjustments	Balance June 30, 2015	Amounts Due Within One Year
Governmental Activities					
Pension obligation bonds	\$ 4,130,000	\$ -	(\$ 200,000)	\$ 3,930,000	\$ 230,000
Capital leases	453,356	-	(159,490)	293,866	102,768
Compensated absences	1,524,634	557,573	(641,523)	1,440,684	481,072
Net pension liability	-	13,099,457*	(3,162,689)	9,936,768	-
Net OPEB obligation	431,109	126,084	(20,478)	536,715	-
Total Governmental Activities	\$ 6,539,099	\$ 13,783,114	(\$ 4,184,180)	\$ 16,138,033	\$ 813,840
Business-Type Activities					
Loans	\$ 2,138,810	\$ -	(\$ 385,164)	\$ 1,753,646	\$ 390,300
Less: Discount	(293,058)	-	47,040	(246,018)	(47,039)
Loans, Net	1,845,752	-	(338,124)	1,507,628	343,261
Sewer revenue bonds	7,660,000	-	(170,000)	7,490,000	175,000
Less: Discount	(92,317)	-	3,694	(88,623)	(3,693)
Sewer revenue bonds, net	7,567,683	-	(166,306)	7,401,377	171,307
Compensated Absences	77,955	21,771	(13,461)	86,265	15,354
Net Pension Liability	-	571,268*	(144,011)	427,257	-
Net OPEB obligation	10,403	4,549	-	14,952	-
Total Business-Type Activities	\$ 9,501,793	\$ 597,588	(\$ 661,902)	\$ 9,437,479	\$ 529,922

*In accordance with GASB 68, the net pension liability is recorded as a prior period adjustment of net position. The adjustment to long-term liabilities is the total adjustment less the adjustments to deferred outflows and deferred inflows.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

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

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

Individual issues of debt payable outstanding at June 30, 2015, 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>\$ 3,930,000</u>
Total Pension Obligation Bonds	<u>3,930,000</u>
Total Governmental Activities	<u><u>\$ 3,930,000</u></u>

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.

\$ 251,111

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.

26,516

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.

434,764

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.

1,041,255

Total Loans	<u><u>1,753,646</u></u>
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CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

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.

	7,490,000
Total Sewer Revenue Bonds	7,490,000
Total Business-Type Activities	\$ 9,243,646

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, Net Pension Liability which is reported in Note 13, and Net OPEB obligation which is reported in Note 14.

Governmental Activities

Year Ended <u>June 30</u>	Pension Obligation Bonds		
	Principal	Interest	Total
2016	\$ 230,000	\$ 232,356	\$ 462,356
2017	255,000	218,924	473,924
2018	285,000	203,879	488,879
2019	320,000	187,064	507,064
2020	360,000	168,184	528,184
2021-2025	1,535,000	523,499	2,058,499
2026-2028	945,000	115,635	1,060,635
Total	\$ 3,930,000	\$ 1,649,541	\$ 5,579,541

Business-Type Activities

Year Ended <u>June 30</u>	Loans		
	Principal	Interest	Total
2016	\$ 390,299	\$ 13,028	\$ 403,327
2017	387,351	7,951	395,302
2018	346,677	3,018	349,695
2019	282,233	-	282,233
2020	173,543	-	173,543
2021	173,543	-	173,543
Total	\$ 1,753,646	\$ 23,997	\$ 1,777,643

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Year Ended <u>June 30</u>	<u>Sewer Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 175,000	\$ 381,325	\$ 556,325
2017	180,000	374,325	554,325
2018	190,000	367,125	557,125
2019	195,000	359,525	554,525
2020	205,000	351,725	556,725
2021-2025	1,175,000	1,607,381	2,782,381
2026-2030	1,490,000	1,294,563	2,784,563
2031-2035	1,925,000	861,438	2,786,438
2036-2039	<u>1,955,000</u>	<u>276,100</u>	<u>2,231,100</u>
Total	<u>\$ 7,490,000</u>	<u>\$ 5,873,507</u>	<u>\$ 13,363,507</u>

NOTE 7: 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, 2015</u>
Governmental activities	9.83%	\$ 293,866
Total		<u>\$ 293,866</u>

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

	<u>Governmental Activities</u>
Cost of equipment	\$ 541,912
Less: accumulated depreciation	(124,435)
Net Value	<u>\$ 417,477</u>

As of June 30, 2015, capital lease annual amortization was as follows:

<u>Year Ended June 30</u>	<u>Governmental Activities</u>
2016	\$ 108,951
2017	100,371
2018	<u>96,181</u>
Total Requirements	305,503
Less Interest	(11,637)
Present Value of Remaining Payments	<u>\$ 293,866</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 8: RENTAL INCOME FROM LEASES

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

Year Ended <u>June 30</u>	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
2016	\$ 178,604	\$ 650,117
2017	178,003	634,042
2018	178,003	630,718
2019	178,003	604,965
2020	178,003	604,965
2021-2025	890,011	3,024,825
2026-2030	849,840	2,953,287
2031-2035	823,060	2,536,045
2036-2040	757,801	1,683,574
2041-2045	444,787	1,514,650
2046-2050	107,579	996,293
2051-2055	44,355	359,423
2056-2060	44,355	40,835
2061-2062	<u>17,742</u>	<u>-</u>
Total Rental Income From Leases	<u>\$ 4,870,146</u>	<u>\$ 16,233,739</u>

NOTE 9: 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 4.71 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, 2015 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, 2015, the City was still holding bank deposits and federal securities in the amount of \$498,383 for this purpose.

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 10: NET POSITION

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

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

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$3,410,601 of restricted net position, of which \$1,420,108 is restricted by enabling legislation.

Net Position Flow Assumption

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

NOTE 11: 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, 2015, fund balance for governmental funds are made up of the following:

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 11: FUND BALANCES (CONTINUED)

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

The fund balances for all major and nonmajor governmental funds as of June 30, 2015, were distributed as follows:

	<u>General</u>	<u>Transportation</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:				
Prepaid costs	\$ 83,387	\$ -	\$ 2,569	\$ 85,956
Subtotal	<u>83,387</u>	<u>-</u>	<u>2,569</u>	<u>85,956</u>
Restricted For:				
Property seizures	-	-	62,763	62,763
Transit Services	-	-	152,536	152,536
Street maintenance and construction	-	-	171,018	171,018
Maidu Fire Station	-	-	37,875	37,875
Solid Waste Management	-	-	567,560	567,560
Traffic Safety	-	-	18,579	18,579
Fire protection services	-	-	106,871	106,871
Community development	-	-	883,730	883,730
Capital projects	-	-	1,409,669	1,409,669
Subtotal	<u>-</u>	<u>-</u>	<u>3,410,601</u>	<u>3,410,601</u>
Committed to:				
Economic Uncertainty	<u>2,250,000</u>	<u>-</u>	<u>-</u>	<u>2,250,000</u>
Subtotal	<u>2,250,000</u>	<u>-</u>	<u>-</u>	<u>2,250,000</u>
Unassigned	<u>2,301,958</u>	<u>(207,219)</u>	<u>(241,292)</u>	<u>1,853,447</u>
Total	<u>\$ 4,635,345</u>	<u>(\$ 207,219)</u>	<u>\$ 3,171,878</u>	<u>\$ 7,600,004</u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 11: FUND BALANCES (CONTINUED)

Fund Balance Flow Assumption

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

Fund Balance Policy

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

NOTE 12: PENSION PLAN

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety police, Safety fire, and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

Summary of Plans and Eligible Participants

Open for New Enrollment

Miscellaneous PEPRA
Safety Fire PEPRA
Safety Police PEPRA

Miscellaneous members hired on or after January 1, 2013
Active fire employees hired on or after January 1, 2013
Active police employees hired on or after January 1, 2013

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 12: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plans (Continued)

Summary of Plans and Eligible Participants (Continued)

Closed to New Enrollment

Miscellaneous	Miscellaneous members hired before January 1, 2013
Safety Fire First Tier	Fire employees hired before July 1, 2010
Safety Fire Second Tier	Fire employees hired after July 1, 2010 and before January 1, 2013
Safety Police First Tier	Police employees hired after January 1, 2012 and before July 1, 2010
Safety Police Second Tier	Police employees hired after July 1, 2010 and before January 1, 2013

Benefits Provided

CalPers provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Each Plans' specific provisions and benefits in effect at June 30, 2015, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.0% @ 55	50-55	1.462% to 2.418%
Miscellaneous PEPRA	2.0% @ 62	50-62	1.000% to 2.500%
Safety Fire First Tier	3.0% @ 50	50	3.000%
Safety Fire Second Tier	2.0% @ 50	50	2.000% to 2.700%
Safety Fire PEPRA	2.0% @ 57	50-57	2.000% to 2.700%
Safety Police First Tier	3.0% @ 50	50	3.000%
Safety Police Second Tier	2.0% @ 50	50	2.000% to 2.700%
Safety Police PEPRA	2.7% @ 57	50-57	2.000% to 2.700%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for all Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 12: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plans (Continued)

Contributions (Continued)

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	12.432%	6.250%	0.000%
Miscellaneous PEPRA	6.250%	6.250%	0.000%
Safety Fire First Tier	33.195%	9.000%	0.000%
Safety Fire Second Tier	25.162%	9.000%	0.000%
Safety Fire PEPRA	13.500%	13.500%	0.000%
Safety Police First Tier	28.322%	9.000%	0.000%
Safety Police Second Tier	20.920%	9.000%	0.000%
Safety Police PEPRA	11.500%	11.500%	0.000%

For the year ended June 30, 2015. The contributions recognized as part of pension expense for each Plan were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 264,713	\$ -
Safety Miscellaneous PEPRA	4,578	-
Safety Fire First Tier	280,210	-
Safety Fire Second Tier	41,459	-
Safety Fire PEPRA	12,006	-
Safety Police First Tier	417,765	-
Safety Police Second Tier	23,155	-

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

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan is used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

	<u>Proportion June 30, 2013</u>	<u>Proportion June 30, 2014</u>	<u>Change- Increase (Decrease)</u>
Miscellaneous	0.06960%	0.06743%	(0.00217)%
Miscellaneous PEPRA	0.00000%	0.00000%	0.00000%
Safety Fire First Tier	0.01929%	0.01973%	0.00044%
Safety Fire Second Tier	0.00007%	0.00007%	(0.00000)%
Safety Fire PEPRA	0.00000%	0.00000%	0.00000%
Safety Police First Tier	0.08060%	0.07930%	(0.00130)%
Safety Police Second Tier	0.00004%	0.00004%	0.00000%

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 12: PENSION PLAN (CONTINUED)

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

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 4,195,602
Miscellaneous PEPRA	103
Safety Fire First Tier	1,227,454
Safety Fire Second Tier	4,208
Safety Fire PEPRA	81
Safety Police First Tier	4,934,273
Safety Police Second Tier	<u>2,304</u>
Total Net Pension Liability	<u><u>\$ 10,364,025</u></u>

For the year ended June 30, 2015, the City recognized pension expense of \$1,021,138. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 977,682	\$ -
Differences between projected and actual earnings on pension plan investments	-	(3,208,079)
Difference between City contributions and proportionate share contributions	<u>314,053</u>	<u>(338,730)</u>
Total	<u><u>\$ 1,291,735</u></u>	<u><u>(\$ 3,546,809)</u></u>

\$977,682 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>		
2016		(\$ 827,644)
2017		(827,644)
2018		(816,482)
2019		(760,986)
Thereafter		<u>0</u>
Total		<u><u>(\$ 3,232,756)</u></u>

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 12: PENSION PLAN (CONTINUED)

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

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	(1)
Investment Rate of Return	7.50%(2)
Mortality	(3)

(1) Depending on age, service, and type of employment

(2) Net of pension plan investment and administrative expenses, including inflation

(3) Derived using CalPERS membership data for all funds

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at the CalPERS website under the GASB 68 Section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 12: PENSION PLAN (CONTINUED)

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

Discount Rate (Continued)

CalPERS is schedule to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	<u>2.0%</u>	-0.55%	-1.05%
Total	<u>100%</u>		

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

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

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 12: PENSION PLAN (CONTINUED)

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

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

The following presents the City's proportionate share of the net pension liability for each Plan as of the measurement date, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>6.50%</u>	Discount Rate <u>7.50%</u>	1% Increase <u>8.50%</u>
Miscellaneous	\$ 7,286,424	\$4,195,603	\$ 1,630,514
Miscellaneous PEPRA	183	103	36
Safety Fire First Tier	2,000,197	1,227,455	590,749
Safety Fire Second Tier	7,242	4,208	1,708
Safety Fire PEPRA	140	81	33
Safety Police First Tier	8,433,713	4,934,274	2,050,888
Safety Police Second Tier	3,966	2,305	936

Pension Plan Fiduciary Net Position

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

C. Payable to the Pension Plan

At June 30, 2015, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

NOTE 13: 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.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Funding Policy

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

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

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	\$ 139,914
Interest on net OPEB Obligation	13,245
Adjustment to Annual Required Contribution	(22,525)
Annual OPEB Cost	130,634
Contributions Made	(20,479)
Increase (decrease) in Net OPEB Obligation	110,155
Net OPEB Obligation Beginning	<u>441,512</u>
Net OPEB Obligation Ending	<u>\$ 551,667</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, 2013	\$ 112,266	13.93%	\$ 353,936
June 30, 2014	104,828	16.46%	441,512
June 30, 2015	130,634	15.68%	551,667

D. Funded Status and Funding Progress

As of June 30, 2015, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability was \$883,253 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$883,253. The covered payroll (annual payroll of employees covered by the plan) was \$4,690,172, and the ratio of the UAAL to the covered payroll was 18.8 percent.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 13: 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.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

E. Actuarial Methods and Assumptions (Continued)

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

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

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

Based on the historical and expected returns of the City's long-term investment portfolio, a discount rate of 3 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2015 was twenty-five years.

NOTE 14: 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, 2015

NOTE 14: 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, 2015 were as follows:

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

The City's equity investment in the NCCSIF of \$127,663 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.

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 15: OTHER INFORMATION

A. Commitments and Contingencies

At June 30, 2015, the City had construction contracts outstanding of approximately \$1,151,417 for the Nevada Street Bicycle project, Airport East End Hangar project, Airport Taxiway LED Light Conversion, Monticello Sewer Lift Station upgrade project, and Sewer Oxidation Ditch.

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

B. Successor Agency Trust for Assets of Former Redevelopment Agency

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

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2014</u>	<u>Additions/ Adjustments</u>	<u>Retirements</u>	<u>Balance June 30, 2015</u>	<u>Amounts Due Within One Year</u>
Tax allocation bonds	\$ 4,235,000	\$ -	(\$ 90,000)	\$ 4,145,000	\$ 90,000
Less: Discount	(82,139)	-	3,423	(78,716)	(3,423)
Tax allocation bonds, net	<u>4,152,861</u>	-	<u>(86,577)</u>	<u>4,066,284</u>	<u>86,577</u>
Total	<u>\$ 4,152,861</u>	<u>\$ -</u>	<u>(\$ 86,577)</u>	<u>\$ 4,066,284</u>	<u>\$ 86,577</u>

Individual issues of debt payable outstanding at June 30, 2015, 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.

\$ 4,145,000

Total Tax Allocation Bonds

\$ 4,145,000

CITY OF AUBURN
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 15: OTHER INFORMATION (CONTINUED)

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

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

Year Ended June 30	Tax Allocation Bonds		
	Principal	Interest	Total
2016	\$ 90,000	\$ 244,408	\$ 334,408
2017	95,000	240,205	335,205
2018	100,000	235,455	335,455
2019	105,000	230,205	335,205
2020	110,000	224,640	334,640
2021-2025	670,000	1,017,600	1,687,600
2026-2030	890,000	792,000	1,682,000
2031-2035	1,185,000	491,400	1,676,400
2036-2038	900,000	109,800	1,009,800
Total	\$ 4,145,000	\$ 3,585,713	\$ 7,730,713

C. Subsequent Events

Management has evaluated events subsequent to June 30, 2015 through December 10, 2015, 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
City Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2015
Last 10 Years*

	2015
Miscellaneous Plan	
Proportion of the net pension liability	0.06743%
Proportionate share of the net pension liability	\$ 4,195,603
Covered employee payroll	2,445,822
Proportionate share of the net pension liability as a percentage of covered employee payroll	171.54%
Plan's fiduciary net position	19,102,740
Plan fiduciary net position as a percentage of the total pension liability	81.99%
Miscellaneous PEPR Plan	
Proportion of the net pension liability	0.00000%
Proportionate share of the net pension liability	\$ 103
Covered employee payroll	32,298
Proportionate share of the net pension liability as a percentage of covered employee payroll	0.32%
Plan's fiduciary net position	503
Plan fiduciary net position as a percentage of the total pension liability	83.00%
Safety Fire First Tier Plan	
Proportion of the net pension liability	0.01973%
Proportionate share of the net pension liability	\$ 1,227,455
Covered employee payroll	872,850
Proportionate share of the net pension liability as a percentage of covered employee payroll	140.63%
Plan's fiduciary net position	4,541,534
Plan fiduciary net position as a percentage of the total pension liability	78.72%
Safety Fire Second Tier Plan	
Proportion of the net pension liability	0.00007%
Proportionate share of the net pension liability	\$ 4,208
Covered employee payroll	195,385
Proportionate share of the net pension liability as a percentage of covered employee payroll	2.15%
Plan's fiduciary net position	18,440
Plan fiduciary net position as a percentage of the total pension liability	81.42%
Safety Fire PEPR Plan	
Proportion of the net pension liability	0.00007%
Proportionate share of the net pension liability	\$ 81
Covered employee payroll	47,283
Proportionate share of the net pension liability as a percentage of covered employee payroll	0.17%
Plan's fiduciary net position	356
Plan fiduciary net position as a percentage of the total pension liability	81.46%

* The City implemented GASB 68 for fiscal year June 30, 2015, therefore only one year is shown.

CITY OF AUBURN
Required Supplementary Information
City Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2015
Last 10 Years*

	2015
Safety Police First Tier Plan	
Proportion of the net pension liability	0.07930%
Proportionate share of the net pension liability	\$ 4,934,274
Covered employee payroll	1,599,530
Proportionate share of the net pension liability as a percentage of covered employee payroll	308.48%
Plan's fiduciary net position	21,191,172
Plan fiduciary net position as a percentage of the total pension liability	81.11%
Safety Police Second Tier Plan	
Proportion of the net pension liability	0.00004%
Proportionate share of the net pension liability	\$ 2,305
Covered employee payroll	53,591
Proportionate share of the net pension liability as a percentage of covered employee payroll	4.30%
Plan's fiduciary net position	10,099
Plan fiduciary net position as a percentage of the total pension liability	81.42%

* The City implemented GASB 68 for fiscal year June 30, 2015, therefore only one year is shown.

CITY OF AUBURN
Required Supplementary Information
City Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2015
Last 10 Years*

	2015
Miscellaneous Plan	
Contractually required contribution (actuarially determined)	\$ 264,713
Contributions in relation to the actuarially determined contributions	(264,713)
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 2,445,822
Contributions as a percentage of covered employee payroll	10.82%
Miscellaneous PEPRA Plan	
Contractually required contribution (actuarially determined)	\$ 4,578
Contributions in relation to the actuarially determined contributions	(4,578)
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 32,298
Contributions as a percentage of covered employee payroll	14.17%
Safety Fire First Tier Plan	
Contractually required contribution (actuarially determined)	\$ 280,210
Contributions in relation to the actuarially determined contributions	(280,210)
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 872,850
Contributions as a percentage of covered employee payroll	32.10%
Safety Fire Second Tier Plan	
Contractually required contribution (actuarially determined)	\$ 41,459
Contributions in relation to the actuarially determined contributions	(41,459)
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 195,385
Contributions as a percentage of covered employee payroll	21.22%
Safety Fire PEPRA Plan	
Contractually required contribution (actuarially determined)	\$ 12,006
Contributions in relation to the actuarially determined contributions	(12,006)
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 47,283
Contributions as a percentage of covered employee payroll	25.39%

* The City implemented GASB 68 for fiscal year June 30, 2015, therefore only one year is shown.

CITY OF AUBURN
Required Supplementary Information
City Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2015
Last 10 Years*

	2015
Safety Police First Tier Plan	
Contractually required contribution (actuarially determined)	\$ 417,765
Contributions in relation to the actuarially determined contributions	(417,765)
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 1,599,530
Contributions as a percentage of covered employee payroll	26.12%
 Safety Police Second Tier Plan	
Contractually required contribution (actuarially determined)	\$ 23,155
Contributions in relation to the actuarially determined contributions	(23,155)
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 53,591
Contributions as a percentage of covered employee payroll	43.21%

* The City implemented GASB 68 for fiscal year June 30, 2015, therefore only one year is shown.

CITY OF AUBURN
Required Supplementary Information
Notes to City Pension Plans
For the Year Ended June 30, 2015

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

There were no changes in assumptions or benefits in calculating the net pension liability.

NOTE 2: SCHEDULE OF CONTRIBUTIONS

Methods and assumptions used to determine the contribution rates for the Miscellaneous Plans were as follows:

Valuation Date	June 30, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years as of the valuation date
Asset valuation method	15 smoothed market
Inflation	2.75%
Salary increases	3.3% to 14.2% depending on age, service, and type of employment
Investment rate of return	7.50%, net of pension plan investment and administrative expense, including inflation
Retirement age	55 years

Methods and assumptions used to determine the contribution rates for the Safety Plans were as follows:

Valuation Date	June 30, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 years
Asset valuation method	15-year smoothed market
Inflation	2.75%
Salary increases	3.3% to 14.2% depending on age, service, and type of employment
Investment rate of return	7.50%, net of pension plan investment and administrative expense, including inflation
Retirement age	57 years

CITY OF AUBURN
Required Supplementary Information
City OPEB Plan
Schedule of Funding Progress
For the Year Ended June 30, 2015

SCHEDULE OF FUNDING PROGRESS

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, 2015 for the City Other Postemployment Benefit Plan.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	Entry Age UAAL as a % of Covered Payroll
June 30, 2013	\$ -	\$ 852,838	\$ 852,838	0.0%	\$ 5,574,054	15.3%
June 30, 2014	-	951,268	951,268	0.0%	5,374,311	17.7%
June 30, 2015	-	883,253	883,253	0.0%	4,690,172	18.8%

CITY OF AUBURN
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 8,227,000	\$ 8,430,000	\$ 8,770,371	\$ 340,371
Licenses and permits	292,600	292,600	364,654	72,054
Fines and forfeitures	51,500	51,500	48,391	(3,109)
Use of money and property	290,000	290,000	288,473	(1,527)
Other governmental agencies	458,000	483,000	885,852	402,852
Charges for services	98,500	108,500	156,426	47,926
Other revenues	6,500	6,500	49,274	42,774
Total Revenues	9,424,100	9,662,100	10,563,441	901,341
EXPENDITURES				
Current:				
General government:				
City council	72,827	72,827	70,776	2,051
City manager	149,158	149,158	197,746	(48,588)
City clerk	104,006	80,995	101,934	(20,939)
Administrative services	398,575	349,621	413,373	(63,752)
City attorney	150,000	150,000	156,868	(6,868)
Information technology	130,000	130,000	178,956	(48,956)
Insurance programs	527,793	527,793	349,543	178,250
Support for community programs	68,804	68,804	26,833	41,971
Total General Government	1,601,163	1,529,198	1,496,029	33,169
Public Safety:				
Police	3,530,832	3,530,832	3,427,917	102,915
Fire	2,129,326	2,129,326	2,336,940	(207,614)
Total Public Safety	5,660,158	5,660,158	5,764,857	(104,699)
Transportation:				
Administration and engineering	120,208	93,065	87,240	5,825
Building maintenance	249,800	261,800	320,333	(58,533)
Construction and maintenance	425,246	425,246	357,204	68,042
Yard and shop	214,447	214,447	165,610	48,837
Stormwater management	24,500	24,500	31,252	(6,752)
Total Transportation	1,034,201	1,019,058	961,639	57,419
Community development:				
Administration	447,280	407,280	401,174	6,106
Building inspections	222,240	222,240	201,004	21,236
Total Community Development	669,520	629,520	602,178	27,342

CITY OF AUBURN
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
EXPENDITURES				
Nondepartmental:				
Debt service	538,122	538,122	614,297	(76,175)
Capital outlay	277,070	321,470	140,655	180,815
Total Nondepartmental	<u>815,192</u>	<u>859,592</u>	<u>754,952</u>	<u>104,640</u>
Total Expenditures	<u>9,780,234</u>	<u>9,697,526</u>	<u>9,579,655</u>	<u>117,871</u>
Excess of Revenues Over (Under) Expenditures	<u>(356,134)</u>	<u>(35,426)</u>	<u>983,786</u>	<u>1,019,212</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	149,332	149,332	205,896	56,564
Total Other Financing Sources (Uses)	<u>149,332</u>	<u>149,332</u>	<u>205,896</u>	<u>56,564</u>
Net Change in Fund Balance	<u>(206,802)</u>	<u>113,906</u>	<u>1,189,682</u>	<u>1,075,776</u>
Fund Balance - Beginning	<u>3,445,663</u>	<u>3,445,663</u>	<u>3,445,663</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,238,861</u>	<u>\$ 3,559,569</u>	<u>\$ 4,635,345</u>	<u>\$ 1,075,776</u>

CITY OF AUBURN
Required Supplementary Information
Budgetary Comparison Schedule
Transportation - Major Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 1,000	\$ 1,000	\$ 4,931	\$ 3,931
Intergovernmental	1,299,907	1,299,907	1,594,015	294,108
Total Revenues	<u>1,300,907</u>	<u>1,300,907</u>	<u>1,598,946</u>	<u>298,039</u>
EXPENDITURES				
Current:				
Transportation	78,250	78,250	163,744	(85,494)
Capital outlay	1,894,500	1,894,500	878,107	1,016,393
Total Expenditures	<u>1,972,750</u>	<u>1,972,750</u>	<u>1,041,851</u>	<u>930,899</u>
Excess of Revenues Over (Under) Expenditures	<u>(671,843)</u>	<u>(671,843)</u>	<u>557,095</u>	<u>1,228,938</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	431,388	431,388	-	(431,388)
Transfers out	-	-	(9,790)	(9,790)
Total Other Financing Sources (Uses)	<u>431,388</u>	<u>431,388</u>	<u>(9,790)</u>	<u>(441,178)</u>
Net Change in Fund Balance	<u>(240,455)</u>	<u>(240,455)</u>	<u>547,305</u>	<u>787,760</u>
Fund Balance - Beginning	<u>(754,524)</u>	<u>(754,524)</u>	<u>(754,524)</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (994,979)</u>	<u>\$ (994,979)</u>	<u>\$ (207,219)</u>	<u>\$ 787,760</u>

CITY OF AUBURN
Required Supplementary Information
Notes to Budgetary Comparison Schedule
For the Year Ended June 30, 2015

NOTE 1: 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 and Debt Service 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, 2015, the following nonmajor special revenue and capital project funds were considered established for a specific purpose and did not have annual appropriated budgets:

Maidu Fire Station
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, 2015

NOTE 2: BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

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

Fund	Department	Excess of Expenditures Over <u>Appropriations</u>
General fund	City manager	\$ 48,588
	City clerk	20,939
	Administrative Services	63,752
	City attorney	6,868
	Information technology	48,956
	Fire	207,614
	Building Maintenance	58,533
	Stormwater management	6,752
	Debt service	76,175

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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, 2015

	Special Revenue Funds	Capital Projects Funds	Totals
ASSETS			
Cash and investments	\$ 895,468	\$ 1,409,669	\$ 2,305,137
Receivables:			
Accounts	36,259	-	36,259
Intergovernmental	38,274	-	38,274
Prepaid costs	2,569	-	2,569
Restricted cash and investments	498,383	-	498,383
Loans receivable	610,874	-	610,874
	Total Assets	Total Assets	Total Assets
	\$ 2,081,827	\$ 1,409,669	\$ 3,491,496
LIABILITIES			
Accounts payable	\$ 33,642	\$ -	\$ 33,642
Accrued salaries and benefits	10,723	-	10,723
Deposits payable	-	1,318	1,318
Due to other funds	34,715	239,220	273,935
	Total Liabilities	Total Liabilities	Total Liabilities
	79,080	240,538	319,618
FUND BALANCES			
Nonspendable	2,569	-	2,569
Restricted	2,000,932	1,409,669	3,410,601
Unassigned	(754)	(240,538)	(241,292)
	Total Fund Balances	Total Fund Balances	Total Fund Balances
	2,002,747	1,169,131	3,171,878
	Total Liabilities and Fund Balances	Total Liabilities and Fund Balances	Total Liabilities and Fund Balances
	\$ 2,081,827	\$ 1,409,669	\$ 3,491,496

CITY OF AUBURN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds	Capital Projects Funds	Totals
REVENUES			
Taxes	\$ 101,037	\$ -	\$ 101,037
Licenses and permits	42,258	18,763	61,021
Use of money and property	19,888	41,390	61,278
Intergovernmental	1,197,662	-	1,197,662
Charges for services	29,254	-	29,254
Other revenues	1,223	238	1,461
Total Revenues	1,391,322	60,391	1,451,713
EXPENDITURES			
Current:			
General government	39,127	-	39,127
Public safety	205,474	-	205,474
Transportation	935,816	4,011	939,827
Community development	23,508	-	23,508
Capital outlay	55,019	-	55,019
Total Expenditures	1,258,944	4,011	1,262,955
Excess of Revenues Over (Under) Expenditures	132,378	56,380	188,758
OTHER FINANCING SOURCES (USES)			
Transfers out	(151,132)	-	(151,132)
Total Other Financing Sources (Uses)	(151,132)	-	(151,132)
Net Change in Fund Balances	(18,754)	56,380	37,626
Fund Balances - Beginning	1,973,824	1,112,751	3,086,575
Prior period adjustment	47,677	-	47,677
Fund Balances - Beginning, Restated	2,021,501	1,112,751	3,134,252
Fund Balances - Ending	\$ 2,002,747	\$ 1,169,131	\$ 3,171,878

Nonmajor Governmental Funds

- **Special Revenue Funds**

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CITY OF AUBURN
Nonmajor Special Revenue Funds
Narrative Summary

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

State Gas Tax Fund

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

Transit Fund

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

Property Seizures Fund

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

Maidu Fire Station Fund

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

HOME Housing Rehabilitation & First Time Homebuyer Fund

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

Small Business Loans (Community Development Block Grant) Fund

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

Solid Waste Management Fund

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

Office of Traffic Safety Grant Fund

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

CITY OF AUBURN
Nonmajor Special Revenue Funds
Narrative Summary

State Law Enforcement Grant Fund

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

Facilities and Equipment Fund

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

Miscellaneous Grants Fund

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, 2015

	State Gas Tax	Transit	Property Seizures	Maidu Fire Station	HOME Housing Rehabilitation & First Time Homebuyer
ASSETS					
Cash and investments	\$ 63,272	\$ 180,006	\$ 62,763	\$ 37,875	\$ 11,888
Receivables:					
Accounts	-	405	-	-	-
Intergovernmental	31,694	-	-	-	-
Prepaid costs	-	2,569	-	-	-
Restricted cash and investments	-	-	-	-	-
Loans receivable	-	-	-	-	348,132
Total Assets	<u>\$ 94,966</u>	<u>\$ 182,980</u>	<u>\$ 62,763</u>	<u>\$ 37,875</u>	<u>\$ 360,020</u>
LIABILITIES					
Accounts payable	\$ 15,281	\$ 17,152	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	10,723	-	-	-
Due to other funds	3,000	-	-	-	-
Total Liabilities	<u>18,281</u>	<u>27,875</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	2,569	-	-	-
Restricted	76,685	152,536	62,763	37,875	360,020
Unrestricted	-	-	-	-	-
Total Fund Balances	<u>76,685</u>	<u>155,105</u>	<u>62,763</u>	<u>37,875</u>	<u>360,020</u>
Total Liabilities and Fund Balances	<u>\$ 94,966</u>	<u>\$ 182,980</u>	<u>\$ 62,763</u>	<u>\$ 37,875</u>	<u>\$ 360,020</u>

Small Business Loans	Solid Waste Management	Office of Traffic Safety Grant	State Law Enforcement Grant	Facilities and Equipment	Miscellaneous Grants	Totals
\$ 258,508	\$ 35,783	\$ 19,034	\$ 31,715	\$ 94,333	\$ 100,291	\$ 895,468
2,460	33,394	-	-	-	-	36,259
-	-	-	-	-	6,580	38,274
-	-	-	-	-	-	2,569
-	498,383	-	-	-	-	498,383
262,742	-	-	-	-	-	610,874
<u>\$ 523,710</u>	<u>\$ 567,560</u>	<u>\$ 19,034</u>	<u>\$ 31,715</u>	<u>\$ 94,333</u>	<u>\$ 106,871</u>	<u>\$ 2,081,827</u>
\$ -	\$ -	\$ 455	\$ 754	\$ -	\$ -	\$ 33,642
-	-	-	-	-	-	10,723
-	-	-	31,715	-	-	34,715
-	-	455	32,469	-	-	79,080
-	-	-	-	-	-	2,569
523,710	567,560	18,579	-	94,333	106,871	2,000,932
-	-	-	(754)	-	-	(754)
523,710	567,560	18,579	(754)	94,333	106,871	2,002,747
<u>\$ 523,710</u>	<u>\$ 567,560</u>	<u>\$ 19,034</u>	<u>\$ 31,715</u>	<u>\$ 94,333</u>	<u>\$ 106,871</u>	<u>\$ 2,081,827</u>

CITY OF AUBURN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2015

	State Gas Tax	Transit	Property Seizures	Maidu Fire Station	HOME Housing Rehabilitation & First Time Homebuyer
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Use of money and property	2,613	3,897	-	-	410
Intergovernmental	357,683	662,277	-	-	-
Charges for services	-	29,254	-	-	-
Other revenues	-	722	560	-	-
Total Revenues	360,296	696,150	560	-	410
EXPENDITURES					
Current:					
General government	-	-	19,406	-	-
Public safety	-	-	-	-	-
Transportation	456,720	479,096	-	-	-
Community development	-	-	-	-	13
Capital outlay	-	40,458	-	-	-
Total Expenditures	456,720	519,554	19,406	-	13
Excess of Revenues Over (Under)					
Expenditures	(96,424)	176,596	(18,846)	-	397
OTHER FINANCING SOURCES (USES)					
Transfers out	(9,790)	(21,491)	-	-	-
Total Other Financing Sources (Uses)	(9,790)	(21,491)	-	-	-
Net Change in Fund Balance	(106,214)	155,105	(18,846)	-	397
Fund Balances - Beginning	182,899	-	81,609	37,875	311,946
Prior period adjustment	-	-	-	-	47,677
Fund Balances - Beginning, Restated	182,899	-	81,609	37,875	359,623
Fund Balances - Ending	\$ 76,685	\$ 155,105	\$ 62,763	\$ 37,875	\$ 360,020

Small Business Loans	Solid Waste Management	Office of Traffic Safety Grant	State Law Enforcement Grant	Facilities and Equipment	Miscellaneous Grants	Totals
\$ -	\$ 101,037	\$ -	\$ -	\$ -	\$ -	\$ 101,037
-	-	-	-	42,258	-	42,258
7,687	1,335	-	-	3,946	-	19,888
6,269	-	19,989	106,230	-	45,214	1,197,662
-	-	-	-	-	-	29,254
(2,564)	-	-	-	-	2,505	1,223
<u>11,392</u>	<u>102,372</u>	<u>19,989</u>	<u>106,230</u>	<u>46,204</u>	<u>47,719</u>	<u>1,391,322</u>
-	-	-	-	19,721	-	39,127
-	177,673	-	-	-	27,801	205,474
-	-	-	-	-	-	935,816
23,495	-	-	-	-	-	23,508
-	-	-	-	13,526	1,035	55,019
<u>23,495</u>	<u>177,673</u>	<u>-</u>	<u>-</u>	<u>33,247</u>	<u>28,836</u>	<u>1,258,944</u>
<u>(12,103)</u>	<u>(75,301)</u>	<u>19,989</u>	<u>106,230</u>	<u>12,957</u>	<u>18,883</u>	<u>132,378</u>
-	-	-	(112,508)	(7,343)	-	(151,132)
-	-	-	(112,508)	(7,343)	-	(151,132)
<u>(12,103)</u>	<u>(75,301)</u>	<u>19,989</u>	<u>(6,278)</u>	<u>5,614</u>	<u>18,883</u>	<u>(18,754)</u>
535,813	642,861	(1,410)	5,524	88,719	87,988	1,973,824
-	-	-	-	-	-	47,677
<u>535,813</u>	<u>642,861</u>	<u>(1,410)</u>	<u>5,524</u>	<u>88,719</u>	<u>87,988</u>	<u>2,021,501</u>
<u>\$ 523,710</u>	<u>\$ 567,560</u>	<u>\$ 18,579</u>	<u>\$ (754)</u>	<u>\$ 94,333</u>	<u>\$ 106,871</u>	<u>\$ 2,002,747</u>

CITY OF AUBURN
Budgetary Comparison Schedule
State Gas Tax - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 250	\$ 250	\$ 2,613	\$ 2,363
Intergovernmental	342,886	342,886	357,683	14,797
Total Revenues	<u>343,136</u>	<u>343,136</u>	<u>360,296</u>	<u>17,160</u>
EXPENDITURES				
Current:				
Transportation	382,500	382,500	456,720	(74,220)
Capital outlay	127,790	127,790	-	127,790
Total Expenditures	<u>510,290</u>	<u>510,290</u>	<u>456,720</u>	<u>53,570</u>
Excess of Revenues Over (Under) Expenditures	<u>(167,154)</u>	<u>(167,154)</u>	<u>(96,424)</u>	<u>70,730</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(9,790)	(9,790)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(9,790)</u>	<u>(9,790)</u>
Net Change in Fund Balance	(167,154)	(167,154)	(106,214)	60,940
Fund Balance - Beginning	<u>182,899</u>	<u>182,899</u>	<u>182,899</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 15,745</u>	<u>\$ 15,745</u>	<u>\$ 76,685</u>	<u>\$ 60,940</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Transit - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	3,897	3,897
Intergovernmental	631,876	631,876	662,277	30,401
Charges for services	-	-	29,254	29,254
Other revenues	-	-	722	722
Total Revenues	631,876	631,876	696,150	64,274
EXPENDITURES				
Current:				
Transportation	415,701	446,306	479,096	(32,790)
Debt service	24,000	24,000	-	24,000
Capital outlay	432,500	432,500	40,458	392,042
Total Expenditures	872,201	902,806	519,554	383,252
Excess of Revenues Over (Under) Expenditures	(240,325)	(270,930)	176,596	447,526
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(21,491)	(21,491)
Total Other Financing Sources (Uses)	-	-	(21,491)	(21,491)
Net Change in Fund Balance	(240,325)	(270,930)	155,105	426,035
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ (240,325)	\$ (270,930)	\$ 155,105	\$ 426,035

CITY OF AUBURN
Budgetary Comparison Schedule
Property Seizures - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Other revenues	\$ -	\$ -	\$ 560	\$ 560
Total Revenues	<u>-</u>	<u>-</u>	<u>560</u>	<u>560</u>
EXPENDITURES				
Current:				
General government	-	-	19,406	(19,406)
Capital outlay	25,000	25,000	-	25,000
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>19,406</u>	<u>5,594</u>
Net Change in Fund Balance	(25,000)	(25,000)	(18,846)	6,154
Fund Balance - Beginning	<u>81,609</u>	<u>81,609</u>	<u>81,609</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 56,609</u>	<u>\$ 56,609</u>	<u>\$ 62,763</u>	<u>\$ 6,154</u>

CITY OF AUBURN
Budgetary Comparison Schedule
HOME Housing Rehabilitation & First Time Homebuyer - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ -	\$ -	\$ 410	\$ 410
Total Revenues	<u>-</u>	<u>-</u>	<u>410</u>	<u>410</u>
EXPENDITURES				
Current:				
Community development	<u>2,500</u>	<u>2,500</u>	<u>13</u>	<u>2,487</u>
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>13</u>	<u>2,487</u>
Net Change in Fund Balance	<u>(2,500)</u>	<u>(2,500)</u>	<u>397</u>	<u>2,897</u>
Fund Balance - Beginning	311,946	311,946	311,946	-
Prior period adjustment	<u>-</u>	<u>-</u>	<u>47,677</u>	<u>47,677</u>
Fund Balance - Beginning, Restated	<u>311,946</u>	<u>311,946</u>	<u>359,623</u>	<u>47,677</u>
Fund Balance - Ending	<u>\$ 309,446</u>	<u>\$ 309,446</u>	<u>\$ 360,020</u>	<u>\$ 50,574</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Small Business Loans - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 1,000	\$ 1,000	\$ 7,687	\$ 6,687
Intergovernmental	64,000	64,000	6,269	(57,731)
Other revenues	-	-	(2,564)	(2,564)
Total Revenues	<u>65,000</u>	<u>65,000</u>	<u>11,392</u>	<u>(53,608)</u>
EXPENDITURES				
Current:				
Community development	<u>110,000</u>	<u>109,269</u>	<u>23,495</u>	<u>85,774</u>
Total Expenditures	<u>110,000</u>	<u>109,269</u>	<u>23,495</u>	<u>85,774</u>
Net Change in Fund Balance	(45,000)	(44,269)	(12,103)	32,166
Fund Balance - Beginning	<u>535,813</u>	<u>535,813</u>	<u>535,813</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 490,813</u>	<u>\$ 491,544</u>	<u>\$ 523,710</u>	<u>\$ 32,166</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Solid Waste Management - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 133,000	\$ 133,000	\$ 101,037	\$ (31,963)
Use of money and property	6,000	6,000	1,335	(4,665)
Intergovernmental	5,000	5,000	-	(5,000)
Total Revenues	<u>144,000</u>	<u>144,000</u>	<u>102,372</u>	<u>(41,628)</u>
EXPENDITURES				
Current:				
Public safety	<u>171,000</u>	<u>176,500</u>	<u>177,673</u>	<u>(1,173)</u>
Total Expenditures	<u>171,000</u>	<u>176,500</u>	<u>177,673</u>	<u>(1,173)</u>
Net Changes in Fund Balance	(27,000)	(32,500)	(75,301)	(42,801)
Fund Balance - Beginning	<u>642,861</u>	<u>642,861</u>	<u>642,861</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 615,861</u>	<u>\$ 610,361</u>	<u>\$ 567,560</u>	<u>\$ (42,801)</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Office of Traffic Safety - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 19,989	\$ (20,011)
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>19,989</u>	<u>(20,011)</u>
EXPENDITURES				
Current:				
General government	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Net Changes in Fund Balance	-	-	19,989	19,989
Fund Balance - Beginning	<u>(1,410)</u>	<u>(1,410)</u>	<u>(1,410)</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ (1,410)</u></u>	<u><u>\$ (1,410)</u></u>	<u><u>\$ 18,579</u></u>	<u><u>\$ 19,989</u></u>

CITY OF AUBURN
Budgetary Comparison Schedule
State Law Enforcement Grant - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 106,230	\$ 6,230
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>106,230</u>	<u>6,230</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>106,230</u>	<u>6,230</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(100,000)	(100,000)	(112,508)	(12,508)
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(112,508)</u>	<u>(12,508)</u>
Net Changes in Fund Balance	-	-	(6,278)	(6,278)
Fund Balance - Beginning	<u>5,524</u>	<u>5,524</u>	<u>5,524</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 5,524</u>	<u>\$ 5,524</u>	<u>\$ (754)</u>	<u>\$ (6,278)</u>

CITY OF AUBURN
Budgetary Comparison Schedule
Facilities and Equipment - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and permits	\$ 15,000	\$ 15,000	\$ 42,258	\$ 27,258
Use of money and property	1,000	1,000	3,946	2,946
Total Revenues	16,000	16,000	46,204	30,204
EXPENDITURES				
Current:				
General government	250	250	19,721	(19,471)
Debt service	7,342	7,342	-	7,342
Capital outlay	17,500	17,500	13,526	3,974
Total Expenditures	25,092	25,092	33,247	(8,155)
Excess of Revenues Over (Under) Expenditures	(9,092)	(9,092)	12,957	22,049
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(7,343)	(7,343)
Total Other Financing Sources (Uses)	-	-	(7,343)	(7,343)
Net Changes in Fund Balance	(9,092)	(9,092)	5,614	14,706
Fund Balance - Beginning	88,719	88,719	88,719	-
Fund Balance - Ending	\$ 79,627	\$ 79,627	\$ 94,333	\$ 14,706

CITY OF AUBURN
Budgetary Comparison Schedule
Miscellaneous Grants - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 45,214	\$ 45,214
Other revenues	-	-	2,505	2,505
Total Revenues	<u>-</u>	<u>-</u>	<u>47,719</u>	<u>47,719</u>
EXPENDITURES				
Current:				
Public safety	-	-	27,801	(27,801)
Capital outlay	25,000	25,000	1,035	23,965
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>28,836</u>	<u>(3,836)</u>
Net Change in Fund Balance	(25,000)	(25,000)	18,883	43,883
Fund Balance - Beginning	87,988	87,988	87,988	-
Fund Balance - Ending	<u>\$ 62,988</u>	<u>\$ 62,988</u>	<u>\$ 106,871</u>	<u>\$ 43,883</u>

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Nonmajor Governmental Funds

- **Capital Projects Funds**

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CITY OF AUBURN
Nonmajor Capital Projects Funds
Narrative Summary

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 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.

CITY OF AUBURN
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2015

	<u>Auburn School Park Preserve</u>	<u>Hwy 49 Beautification</u>	<u>Project Fund</u>	<u>Totals</u>
ASSETS				
Cash and investments	\$ -	\$ -	\$ 1,409,669	\$ 1,409,669
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,409,669</u>	<u>\$ 1,409,669</u>
LIABILITIES				
Deposits payable	\$ -	\$ 1,318	\$ -	\$ 1,318
Due to other funds	239,220	-	-	239,220
Total Liabilities	<u>239,220</u>	<u>1,318</u>	<u>-</u>	<u>240,538</u>
FUND BALANCES				
Restricted	-	-	1,409,669	1,409,669
Unassigned	(239,220)	(1,318)	-	(240,538)
Total Fund Balances	<u>(239,220)</u>	<u>(1,318)</u>	<u>1,409,669</u>	<u>1,169,131</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,409,669</u>	<u>\$ 1,409,669</u>

CITY OF AUBURN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2015

	Auburn School Park Preserve	Hwy 49 Beautification	Project Fund	Totals
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 18,763	\$ 18,763
Use of money and property	(7,807)	-	49,197	41,390
Other revenues	238	-	-	238
Total Revenues	(7,569)	-	67,960	60,391
EXPENDITURES				
Current:				
Transportation	-	-	4,011	4,011
Community development	-	-	-	-
Total Expenditures	-	-	4,011	4,011
Net Change in Fund Balance	(7,569)	-	63,949	56,380
Fund Balances - Beginning	(231,651)	(1,318)	1,345,720	1,112,751
Fund Balances - Ending	\$ (239,220)	\$ (1,318)	\$ 1,409,669	\$ 1,169,131

CITY OF AUBURN
Budgetary Comparison Schedule
Auburn School Park Preserve - Nonmajor Capital Projects Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money	\$ -	\$ -	\$ (7,807)	\$ (7,807)
Intergovernmental	221,431	221,431	-	(221,431)
Other revenues	-	-	238	238
Total Revenues	<u>221,431</u>	<u>221,431</u>	<u>(7,569)</u>	<u>(229,000)</u>
EXPENDITURES				
Community development	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	221,431	221,431	(7,569)	(229,000)
Fund Balance - Beginning	<u>(231,651)</u>	<u>(231,651)</u>	<u>(231,651)</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (10,220)</u>	<u>\$ (10,220)</u>	<u>\$ (239,220)</u>	<u>\$ (229,000)</u>

Fiduciary Funds

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CITY OF AUBURN
Fiduciary Funds
Narrative Summary

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.

Auburn Arts Commission

This fund is used to report the activity of the Auburn Arts Commission.

Southwest Specific Plan

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

Successor Agency to the Auburn Urban Development Authority

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

CITY OF AUBURN
Fiduciary Funds

Agency Funds

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

Cable TV Access Fees

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

Fire Safety Council

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

Recreation Park Development

This fund collects monies for recreation and park development.

Placer County Facilities Fee

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

Payroll Clearing

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

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CITY OF AUBURN
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2015

	Merchant's Council	Historic Auburn	Signature Theatre Sewer District	Auburn Arts Commission
ASSETS				
Cash and investments	\$ 6,451	\$ 5,628	\$ 115	\$ -
Receivables:				
Accounts	-	130	-	494
Capital assets:				
Non-depreciable	-	-	-	-
	Total Assets	Total Assets	Total Assets	Total Assets
	\$ 6,451	\$ 5,758	\$ 115	\$ 494
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interest payable	-	-	-	-
Due to other funds	-	-	-	15,576
Long-term debt:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
	Total Liabilities	Total Liabilities	Total Liabilities	Total Liabilities
	-	-	-	15,576
NET POSITION				
Net position held in trust	6,451	5,758	115	(15,082)
	Total Net Position	Total Net Position	Total Net Position	Total Net Position
	\$ 6,451	\$ 5,758	\$ 115	\$ (15,082)

Southwest Specific Plan	Successor Agency to the Auburn Urban Development Authority			Total Private Purpose Trust Funds
	Debt Service	Housing	Projects	
\$ 6,839	\$ 22,343	\$ -	\$ 343,007	\$ 384,383
-	-	-	-	624
-	-	350,000	-	350,000
<u>\$ 6,839</u>	<u>\$ 22,343</u>	<u>\$ 350,000</u>	<u>\$ 343,007</u>	<u>\$ 735,007</u>
\$ -	\$ -	\$ -	\$ 325	\$ 325
-	20,578	-	-	20,578
-	-	-	-	15,576
-	86,577	-	-	86,577
-	3,979,707	-	-	3,979,707
-	4,086,862	-	325	4,102,763
<u>6,839</u>	<u>(4,064,519)</u>	<u>350,000</u>	<u>342,682</u>	<u>(3,367,756)</u>
<u>\$ 6,839</u>	<u>\$ (4,064,519)</u>	<u>\$ 350,000</u>	<u>\$ 342,682</u>	<u>\$ (3,367,756)</u>

CITY OF AUBURN
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2015

	Merchant's Council	Historic Auburn	Signature Theatre Sewer District	Auburn Arts Commission
ADDITIONS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Interest and investment income	-	-	-	-
Other contributions	37,467	19,575	-	600
Total Additions	<u>37,467</u>	<u>19,575</u>	<u>-</u>	<u>600</u>
DEDUCTIONS				
Distributions to participants	36,009	18,033	-	15,682
Program expenses of former redevelopment agency	-	-	-	-
Interest expense	-	-	-	-
Amortization	-	-	-	-
Total Deductions	<u>36,009</u>	<u>18,033</u>	<u>-</u>	<u>15,682</u>
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in Net Position	1,458	1,542	-	(15,082)
Net Position - Beginning	<u>4,993</u>	<u>4,216</u>	<u>115</u>	<u>-</u>
Net Position - Ending	<u><u>\$ 6,451</u></u>	<u><u>\$ 5,758</u></u>	<u><u>\$ 115</u></u>	<u><u>\$ (15,082)</u></u>

Southwest Specific Plan	Successor Agency to the Auburn Urban Development Authority			Total Private Purpose Trust Funds
	Debt Service	Housing	Projects	
\$ -	\$ -	\$ -	\$ 433,815	\$ 433,815
241	12,651	-	214,265	227,157
-	-	-	-	57,642
241	12,651	-	648,080	718,614
15	-	-	-	69,739
-	810	-	281,993	282,803
-	246,511	-	-	246,511
-	3,423	-	-	3,423
15	250,744	-	281,993	602,476
-	-	-	-	-
-	-	-	-	-
226	(238,093)	-	366,087	116,138
6,613	(3,826,426)	350,000	(23,405)	(3,483,894)
<u>\$ 6,839</u>	<u>\$ (4,064,519)</u>	<u>\$ 350,000</u>	<u>\$ 342,682</u>	<u>\$ (3,367,756)</u>

CITY OF AUBURN
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2015

	<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	\$ 8,471	\$ 53	\$ 8,164	\$ 20,475
Receivables:				
Accounts	1,750	-	-	-
Intergovernmental	-	-	-	-
Total Assets	<u>\$ 10,221</u>	<u>\$ 53</u>	<u>\$ 8,164</u>	<u>\$ 20,475</u>
LIABILITIES				
Accounts payable	\$ 4,958	\$ -	\$ 425	\$ -
Agency obligations	5,263	53	7,739	20,475
Total Liabilities	<u>\$ 10,221</u>	<u>\$ 53</u>	<u>\$ 8,164</u>	<u>\$ 20,475</u>

Payroll Clearing	Total Agency Funds
\$ 221,661	\$ 258,824
-	1,750
<u>5,050</u>	<u>5,050</u>
<u>\$ 226,711</u>	<u>\$ 265,624</u>
\$ 14,959	\$ 20,342
211,752	245,282
<u>\$ 226,711</u>	<u>\$ 265,624</u>

CITY OF AUBURN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
CABLE TV ACCESS FEES				
ASSETS				
Cash and investments				
Receivables:	\$ -	\$ 24,085	\$ 15,614	\$ 8,471
Accounts	7,971	1,750	7,971	1,750
Total Assets	\$ 7,971	\$ 25,835	\$ 23,585	\$ 10,221
LIABILITIES				
Accounts payable	\$ 4,958	\$ -	\$ -	\$ 4,958
Agency obligations	3,013	-	(2,250)	5,263
Total Liabilities	\$ 7,971	\$ -	\$ (2,250)	\$ 10,221
FIRE SAFETY COUNCIL				
ASSETS				
Cash and investments	\$ 51	\$ 2	\$ -	\$ 53
Total Assets	\$ 51	\$ 2	\$ -	\$ 53
LIABILITIES				
Agency obligations	\$ 51	\$ 2	\$ -	\$ 53
Total Liabilities	\$ 51	\$ 2	\$ -	\$ 53
RECREATION PARK DEVELOPMENT				
ASSETS				
Cash and investments	\$ 3,000	\$ 5,169	\$ 5	\$ 8,164
Total Assets	\$ 3,000	\$ 5,169	\$ 5	\$ 8,164
LIABILITIES				
Accounts payable	\$ 425	\$ -	\$ -	\$ 425
Agency obligations	2,575	5,169	5	7,739
Total Liabilities	\$ 3,000	\$ 5,169	\$ 5	\$ 8,164
PLACER COUNTY FACILITIES FEE				
ASSETS				
Cash and investments	\$ 19,778	\$ 35,484	\$ 34,787	\$ 20,475
Total Assets	\$ 19,778	\$ 35,484	\$ 34,787	\$ 20,475
LIABILITIES				
Accounts payable	\$ 7,559	\$ -	\$ 7,559	\$ -
Agency obligations	12,219	35,484	27,228	20,475
Total Liabilities	\$ 19,778	\$ 35,484	\$ 34,787	\$ 20,475

CITY OF AUBURN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
PAYROLL CLEARING				
ASSETS				
Cash and investments	\$ 67,175	\$ 215,135	\$ 60,649	\$ 221,661
Receivables:				
Intergovernmental	5,050	-	-	5,050
Total Assets	\$ 72,225	\$ 215,135	\$ 60,649	\$ 226,711
LIABILITIES				
Accounts payable	\$ -	\$ 14,959	\$ -	\$ 14,959
Agency obligations	72,225	200,176	60,649	211,752
Total Liabilities	\$ 72,225	\$ 215,135	\$ 60,649	\$ 226,711
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 90,004	\$ 255,790	\$ 95,441	250,353
Receivables:				
Accounts	7,971	1,750	7,971	1,750
Intergovernmental	5,050	-	-	5,050
Total Assets	\$ 103,025	\$ 257,540	\$ 103,412	\$ 257,153
LIABILITIES				
Accounts payable	\$ 12,942	\$ 14,959	\$ 7,559	\$ 20,342
Agency obligations	90,083	240,831	85,632	245,282
Total Liabilities	\$ 103,025	\$ 255,790	\$ 93,191	\$ 265,624

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STATISTICAL SECTION

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CITY OF AUBURN
Statistical Section
Narrative Summary

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.

Source:

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

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

	Fiscal Year			
	2005/2006	2006/2007	2007/2008	2008/2009
Governmental Activities				
Net investment in capital assets	\$ 12,112,065	\$ 13,711,814	\$ 14,935,931	\$ 19,336,184
Restricted	3,897,934	4,662,291	3,653,807	8,114,974
Unrestricted	4,049,964	2,001,513	2,860,462	(3,166,820)
Total governmental activities net position	\$ 20,059,963	\$ 20,375,618	\$ 21,450,200	\$ 24,284,338
Business-Type Activities				
Net investment in capital assets	\$ 14,898,745	\$ 16,775,408	\$ 16,307,102	\$ 17,671,003
Restricted	41,840	13,250	-	-
Unrestricted	4,566,907	3,567,844	5,089,154	4,871,695
Total business-type activities net position	\$ 19,507,492	\$ 20,356,502	\$ 21,396,256	\$ 22,542,698
Primary Government				
Net investment in capital assets	\$ 27,010,810	\$ 30,487,222	\$ 31,243,033	\$ 37,007,187
Restricted	3,939,774	4,675,541	3,653,807	8,114,974
Unrestricted	8,616,871	5,569,357	7,949,616	1,704,875
Total primary government net position	\$ 39,567,455	\$ 40,732,120	\$ 42,846,456	\$ 46,827,036

<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
\$ 18,886,386	\$ 17,508,894	\$ 21,555,502	\$ 20,966,807	\$ 20,815,460	\$ 21,053,667
6,541,853	5,089,610	3,000,169	3,296,195	3,323,613	3,413,170
<u>(1,943,195)</u>	<u>214,035</u>	<u>311,924</u>	<u>812,150</u>	<u>773,227</u>	<u>(13,999,420)</u>
<u>\$ 23,485,044</u>	<u>\$ 22,812,539</u>	<u>\$ 24,867,595</u>	<u>\$ 25,075,152</u>	<u>\$ 24,912,300</u>	<u>\$ 10,467,417</u>
\$ 19,008,750	\$ 16,358,353	\$ 17,106,731	\$ 18,226,969	\$ 18,371,032	\$ 18,643,735
559,262	559,263	559,263	559,263	559,263	559,263
<u>4,603,714</u>	<u>9,075,908</u>	<u>9,180,877</u>	<u>9,238,584</u>	<u>9,395,474</u>	<u>9,518,070</u>
<u>\$ 24,171,726</u>	<u>\$ 25,993,524</u>	<u>\$ 26,846,871</u>	<u>\$ 28,024,816</u>	<u>\$ 28,325,769</u>	<u>\$ 28,721,068</u>
\$ 37,895,136	\$ 33,867,247	\$ 38,662,233	\$ 39,193,776	\$ 39,186,492	\$ 39,697,402
7,101,115	5,648,873	3,559,432	3,855,458	3,882,876	3,972,433
<u>2,660,519</u>	<u>9,289,943</u>	<u>9,492,801</u>	<u>10,050,734</u>	<u>10,168,701</u>	<u>(4,481,350)</u>
<u>\$ 47,656,770</u>	<u>\$ 48,806,063</u>	<u>\$ 51,714,466</u>	<u>\$ 53,099,968</u>	<u>\$ 53,238,069</u>	<u>\$ 39,188,485</u>

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

	Fiscal Year			
	2005/2006	2006/2007	2007/2008	2008/2009
Expenses				
Governmental Activities:				
General government	\$ 1,783,691	\$ 2,325,979	\$ 2,067,619	\$ 1,741,542
Public safety	5,385,966	5,916,568	5,866,706	6,066,740
Transportation	2,691,900	4,343,717	3,165,262	2,592,016
Community development	1,483,471	1,748,798	1,443,691	1,490,980
Recreation and culture	18,308	20,654	17,586	33,292
Interest on long-term debt	50,740	575,295	301,594	475,274
Total Governmental Activities Expenses	<u>11,414,076</u>	<u>14,931,011</u>	<u>12,862,458</u>	<u>12,399,844</u>
Business-Type Activities				
Airport	774,459	740,501	615,186	574,112
Sewer	2,852,847	3,132,068	3,561,773	3,432,180
Total Business-Type Activities Expenses	<u>3,627,306</u>	<u>3,872,569</u>	<u>4,176,959</u>	<u>4,006,292</u>
Total Primary Government Expenses	<u>\$ 15,041,382</u>	<u>\$ 18,803,580</u>	<u>\$ 17,039,417</u>	<u>\$ 16,406,136</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$ 1,538,236	\$ 391,510	\$ 797,693	\$ 749,498
Public safety	9,660	167,362	279,340	369,292
Transportation	27,528	97,042	137,199	72,560
Community development	-	513,221	325,663	209,542
Recreation and culture	-	19,885	18,825	34,563
Operating grants and contributions	2,378,837	2,543,309	1,557,120	2,536,633
Capital grants and contributions	684,447	1,284,923	1,313,832	2,801,230
Total Governmental Activities Program Revenues	<u>4,638,708</u>	<u>5,017,252</u>	<u>4,429,672</u>	<u>6,773,318</u>
Business-Type Activities:				
Charges for services:				
Airport	113,472	14,887	556,139	566,954
Sewer	2,941,471	2,861,434	4,386,520	4,334,075
Operating grants and contributions	-	49,500	26,775	6,350
Capital grants and contributions	238,136	1,063,925	34,824	-
Total Business-Type Activities Program Revenues	<u>3,293,079</u>	<u>3,989,746</u>	<u>5,004,258</u>	<u>4,907,379</u>
Total Primary Government Program Revenues	<u>\$ 7,931,787</u>	<u>\$ 9,006,998</u>	<u>\$ 9,433,930</u>	<u>\$ 11,680,697</u>

<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
\$ 1,735,630	\$ 1,340,063	\$ 1,678,027	\$ 1,890,167	\$ 1,474,340	\$ 1,889,941
5,503,174	5,147,639	5,139,270	5,421,554	6,369,373	6,053,257
2,926,324	3,254,955	2,766,145	3,508,302	3,145,072	2,137,436
1,326,272	881,511	670,701	693,696	934,437	1,513,541
36,339	-	-	-	-	-
276,751	539,949	360,834	266,979	258,754	243,174
<u>11,804,490</u>	<u>11,164,117</u>	<u>10,614,977</u>	<u>11,780,698</u>	<u>12,181,976</u>	<u>11,837,349</u>
604,719	551,423	647,973	666,373	681,504	760,253
3,433,579	3,543,183	4,128,331	4,108,614	5,040,454	4,684,549
<u>4,038,298</u>	<u>4,094,606</u>	<u>4,776,304</u>	<u>4,774,987</u>	<u>5,721,958</u>	<u>5,444,802</u>
<u>\$ 15,842,788</u>	<u>\$ 15,258,723</u>	<u>\$ 15,391,281</u>	<u>\$ 16,555,685</u>	<u>\$ 17,903,934</u>	<u>\$ 17,282,151</u>
\$ 496,199	\$ 593,738	\$ 548,326	\$ 810,080	\$ 523,315	\$ 580,477
120,660	30,726	30,093	25,249	24,609	21,097
65,710	225,045	243,660	284,103	265,717	353,966
303,883	-	-	-	-	-
34,358	-	-	-	-	-
1,154,715	1,700,882	1,115,106	2,565,297	2,574,530	3,652,206
1,257,311	490,889	492,234	2,468	-	19,666
<u>3,432,836</u>	<u>3,041,280</u>	<u>2,429,419</u>	<u>3,687,197</u>	<u>3,388,171</u>	<u>4,627,412</u>
834,189	526,017	611,558	630,290	672,754	652,827
4,635,541	4,635,853	4,899,585	5,388,670	5,218,233	5,653,470
2,986	609,843	1,553	77,692	86,311	84,249
-	-	-	-	-	-
<u>5,472,716</u>	<u>5,771,713</u>	<u>5,512,696</u>	<u>6,096,652</u>	<u>5,977,298</u>	<u>6,390,546</u>
<u>\$ 8,905,552</u>	<u>\$ 8,812,993</u>	<u>\$ 7,942,115</u>	<u>\$ 9,783,849</u>	<u>\$ 9,365,469</u>	<u>\$ 11,017,958</u>

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

	Fiscal Year			
	2005/2006	2006/2007	2007/2008	2008/2009
Net (Expense)/Revenue (1)				
Governmental activities	\$ (6,775,368)	\$ (9,913,759)	\$ (8,432,786)	\$ (5,626,526)
Business-type activities	(334,227)	117,177	827,299	901,087
Total Primary Government Net Expense	\$ (7,109,595)	\$ (9,796,582)	\$ (7,605,487)	\$ (4,725,439)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$ 3,682,204	\$ 4,085,695	\$ 4,195,552	\$ 4,064,058
Sales and use taxes	2,922,367	3,005,226	2,889,326	2,059,504
In-lieu sales taxes	980,145	1,376,879	1,141,045	1,040,123
Franchise taxes	620,185	648,170	644,702	657,957
Transient occupancy taxes	220,388	224,755	238,608	212,709
Other taxes	128,215	92,262	49,737	25,808
Grants and contributions - unrestricted	-	-	-	-
Rents	297,896	312,911	-	-
Interest and investment earnings	198,507	379,293	264,154	259,023
Miscellaneous	33,988	102,009	84,244	141,737
Transfers	(3,180)	2,214	-	-
Extraordinary gain	-	-	-	-
Total Governmental Activities	9,080,715	10,229,414	9,507,368	8,460,919
Business-Type Activities				
Property taxes	41,764	32,634	33,802	36,181
Rents	331,784	459,851	-	-
Interest and investment earnings	126,004	241,562	178,653	144,374
Miscellaneous	-	-	-	-
Transfers	3,180	(2,214)	-	64,800
Total Business-Type Activities	502,732	731,833	212,455	245,355
Total Primary Government	\$ 9,583,447	\$ 10,961,247	\$ 9,719,823	\$ 8,706,274
Change in Net Position				
Governmental activities	\$ 2,305,347	\$ 315,655	\$ 1,074,582	\$ 2,834,393
Business-type activities	168,505	849,010	1,039,754	1,146,442
Total Primary Government	\$ 2,473,852	\$ 1,164,665	\$ 2,114,336	\$ 3,980,835

Note:

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

<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
\$ (8,371,654)	\$ (8,122,837)	\$ (8,185,558)	\$ (8,093,501)	\$ (8,793,805)	\$ (7,209,937)
1,434,418	1,677,107	736,392	1,321,665	255,340	945,744
<u>\$ (6,937,236)</u>	<u>\$ (6,445,730)</u>	<u>\$ (7,449,166)</u>	<u>\$ (6,771,836)</u>	<u>\$ (8,538,465)</u>	<u>\$ (6,264,193)</u>
\$ 3,816,117	\$ 3,454,566	\$ 3,177,351	\$ 3,097,824	\$ 2,627,318	\$ 3,311,186
1,903,834	2,027,383	2,316,047	2,787,736	2,957,859	3,291,054
701,744	832,427	1,011,481	1,231,066	1,470,211	1,291,045
621,108	622,156	622,265	630,244	632,963	663,639
180,575	198,041	211,217	209,158	226,298	241,158
27,869	42,647	37,300	52,759	56,069	64,218
-	61,677	6,717	6,960	431,011	5,657
-	-	-	-	-	-
269,401	140,108	59,814	7,934	119,117	58,888
51,712	58,905	45,704	326,904	52,653	50,735
-	12,422	10,452	45,801	57,454	44,974
-	-	2,470,706	-	-	-
<u>7,572,360</u>	<u>7,450,332</u>	<u>9,969,054</u>	<u>8,396,386</u>	<u>8,630,953</u>	<u>9,022,554</u>
30,272	26,184	26,177	38,568	47,364	30,326
-	-	-	-	-	-
164,338	129,879	79,770	3,910	38,063	8,076
-	1,050	21,460	40,000	17,640	87
-	(12,422)	(10,452)	(45,801)	(57,454)	(44,974)
<u>194,610</u>	<u>144,691</u>	<u>116,955</u>	<u>36,677</u>	<u>45,613</u>	<u>(6,485)</u>
<u>\$ 7,766,970</u>	<u>\$ 7,595,023</u>	<u>\$ 10,086,009</u>	<u>\$ 8,433,063</u>	<u>\$ 8,676,566</u>	<u>\$ 9,016,069</u>
\$ (799,294)	\$ (672,505)	\$ 1,783,496	\$ 302,885	\$ (162,852)	\$ 1,812,617
1,629,028	1,821,798	853,347	1,358,342	300,953	939,259
<u>\$ 829,734</u>	<u>\$ 1,149,293</u>	<u>\$ 2,636,843</u>	<u>\$ 1,661,227</u>	<u>\$ 138,101</u>	<u>\$ 2,751,876</u>

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

	Fiscal Year				
	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
General Fund					
Reserved	\$ 2,364,402	\$ 1,944,442	\$ 1,520,684	\$ 455,035	\$ 537,481
Unreserved	2,865,763	2,834,572	2,608,498	2,958,087	2,309,992
Total General Fund	<u>\$ 5,230,165</u>	<u>\$ 4,779,014</u>	<u>\$ 4,129,182</u>	<u>\$ 3,413,122</u>	<u>\$ 2,847,473</u>
All Other Governmental Funds					
Reserved	\$ 2,338	\$ -	\$ -	\$ -	\$ 341,455
Unreserved, reported in:					
Special revenue funds	4,186,295	3,132,607	3,217,606	1,693,968	5,036,159
Debt service funds	254,166	285,509	211,420	351,502	-
Capital projects funds	1,038,356	1,236,642	1,330,653	1,244,363	824,185
Total All Other Governmental Funds	<u>\$ 5,481,155</u>	<u>\$ 4,654,758</u>	<u>\$ 4,759,679</u>	<u>\$ 3,289,833</u>	<u>\$ 6,201,799</u>

	Fiscal Year				
	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
General Fund					
Nonspendable	\$ 57,911	\$ 52,166	\$ 63,016	\$ 68,408	\$ 83,387
Committed	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000
Unassigned	361,665	425,522	679,331	1,127,255	2,301,958
Total General Fund	<u>\$ 2,669,576</u>	<u>\$ 2,727,688</u>	<u>\$ 2,992,347</u>	<u>\$ 3,445,663</u>	<u>\$ 4,635,345</u>
All Other Governmental Funds					
Nonspendable	\$ 2,656	\$ 2,794	\$ 3,052	\$ 3,359	\$ 2,569
Restricted	5,086,954	2,997,375	3,293,143	3,320,954	3,410,601
Unassigned	(400,405)	(401,645)	(400,801)	(992,262)	(448,511)
Total All Other Governmental Funds	<u>\$ 4,689,205</u>	<u>\$ 2,598,524</u>	<u>\$ 2,895,394</u>	<u>\$ 2,332,051</u>	<u>\$ 2,964,659</u>

Note:

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

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

	Fiscal Year			
	2005/2006	2006/2007	2007/2008	2008/2009
Revenues				
Taxes	\$ 7,933,319	\$ 8,784,817	\$ 8,304,456	\$ 7,541,403
Franchise fees	620,185	648,170	644,701	518,756
Licenses and permits	1,065,241	775,940	494,863	383,622
Fines and forfeitures	121,808	144,568	136,518	142,998
Use of money and property	496,403	692,204	602,385	613,929
Intergovernmental	3,063,284	3,828,232	3,095,930	5,712,125
Charges for services	388,375	268,512	277,297	179,412
Other revenues	33,988	102,009	84,244	141,737
Total Revenues	13,722,603	15,244,452	13,640,394	15,233,982
Expenditures				
Current:				
General government	4,500,812	2,224,760	1,777,811	1,606,237
Public safety	7,313,153	5,742,513	5,612,110	5,702,042
Transportation	2,521,915	4,368,426	3,072,594	2,096,725
Community development	1,492,402	1,737,253	1,432,675	1,494,664
Recreation and culture	18,308	20,654	17,586	33,292
Capital outlay	1,477,368	1,802,529	1,689,495	4,895,952
Debt service				
Principal	157,725	314,909	274,158	499,235
Interest	38,181	313,170	308,876	454,713
Administrative, issuance and other costs	-	-	-	105,823
Total Expenditures	17,519,864	16,524,214	14,185,305	16,888,683
Excess of Revenues Over (Under) Expenditures	(3,797,261)	(1,279,762)	(544,911)	(1,654,701)
Other Financial Sources (Uses)				
Bonds issued	4,965,000	-	-	4,805,000
Discounts on debt issued	-	-	-	(102,677)
Capital lease	352,000	-	-	-
Transfers in	223,873	292,399	236,616	906,258
Transfers out	(227,053)	(290,185)	(236,616)	(906,258)
Issuance of debt	-	-	-	-
Total Other Financial Sources (Uses)	5,313,820	2,214	-	4,702,323
Extraordinary loss	-	-	-	-
Net Change in Fund Balances	\$ 1,516,559	\$ (1,277,548)	\$ (544,911)	\$ 3,047,622
Debt Service as a Percentage of Noncapital Expenditures	2.24%	1.22%	4.35%	4.66%

<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
\$ 6,535,207	\$ 7,162,454	\$ 7,510,603	\$ 8,008,787	\$ 7,970,718	\$ 8,871,408
621,108	-	-	-	-	-
461,496	326,069	301,267	631,012	334,890	425,675
106,386	103,169	74,950	62,369	50,287	48,391
575,533	452,064	360,115	299,653	404,117	354,682
2,386,783	2,253,448	1,463,061	2,574,725	3,005,541	3,677,529
146,796	108,315	145,561	134,332	143,464	185,680
51,712	58,905	45,704	326,904	52,653	50,735
<u>10,885,021</u>	<u>10,464,424</u>	<u>9,901,261</u>	<u>12,037,782</u>	<u>11,961,670</u>	<u>13,614,100</u>
1,452,089	1,194,839	1,510,220	1,755,477	1,285,454	1,535,156
5,499,427	5,119,592	5,267,512	5,513,843	6,135,398	5,970,331
1,802,750	2,445,107	1,716,030	2,427,123	2,142,154	2,065,210
1,310,866	878,671	667,861	690,856	934,437	625,686
35,979	-	-	-	-	-
3,267,510	1,779,017	1,032,454	1,301,682	1,030,225	1,073,781
183,149	208,222	140,383	207,403	331,993	359,490
267,968	541,889	382,928	268,691	269,490	254,807
-	-	-	-	-	-
<u>13,819,738</u>	<u>12,167,337</u>	<u>10,717,388</u>	<u>12,165,075</u>	<u>12,129,151</u>	<u>11,884,461</u>
<u>(2,934,717)</u>	<u>(1,702,913)</u>	<u>(816,127)</u>	<u>(127,293)</u>	<u>(167,481)</u>	<u>1,729,639</u>
-	-	-	-	-	-
-	-	-	-	-	-
47,506	-	-	-	-	-
425,902	590,279	135,091	194,531	198,963	205,896
(425,902)	(577,857)	(124,639)	(148,730)	(141,509)	(160,922)
-	-	-	643,021	-	-
<u>47,506</u>	<u>12,422</u>	<u>10,452</u>	<u>688,822</u>	<u>57,454</u>	<u>44,974</u>
-	-	(1,498,454)	-	-	-
<u>\$ (2,887,211)</u>	<u>\$ (1,690,491)</u>	<u>\$ (2,304,129)</u>	<u>\$ 561,529</u>	<u>\$ (110,027)</u>	<u>\$ 1,774,613</u>

8.81%

4.13%

7.22%

5.40%

5.40%

5.68%

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
2005/2006	1,349,777,552	161,246,947	67,494,168	1,443,530,331	0.192%
2006/2007	1,524,979,595	161,724,477	71,295,420	1,615,408,652	0.200%
2007/2008	1,629,447,870	160,794,104	71,837,516	1,718,404,458	0.190%
2008/2009	1,662,445,744	164,935,634	73,740,612	1,753,640,766	0.173%
2009/2010	1,614,200,371	141,625,189	74,621,731	1,681,203,829	0.168%
2010/2011	1,509,536,535	131,670,495	75,716,027	1,565,491,003	0.175%
2011/2012	1,465,564,258	130,423,642	76,467,907	1,519,519,993	0.169%
2012/2013	1,463,888,966	130,267,793	76,537,481	1,517,619,278	0.169%
2013/2014	1,528,949,703	127,746,684	80,893,920	1,575,802,467	0.177%
2014/2015	1,568,981,273	124,429,822	65,635,499	1,627,775,596	0.175%

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			
	2005/2006	2006/2007	2007/2008	2008/2009
City of Auburn				
General purpose	0.128	0.140	0.136	0.126
Property tax in lieu of vehicle license fees	0.050	0.050	0.050	0.047
Debt service	0.014	0.010	0.004	-
	0.192	0.200	0.190	0.173
Placer County	0.320	0.320	0.320	0.320
School Districts	0.455	0.452	0.452	0.456
Special Districts	0.068	0.068	0.068	0.068
	<u>1.035</u>	<u>1.040</u>	<u>1.030</u>	<u>1.017</u>

Notes:

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

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>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
0.121	0.128	0.122	0.122	0.153	0.133
0.047	0.047	0.047	0.047	0.024	0.042
-	-	-	-	-	-
0.168	0.175	0.169	0.169	0.177	0.175
0.322	0.322	0.322	0.322	0.322	0.322
0.448	0.448	0.448	0.448	0.448	0.448
0.071	0.071	0.071	0.071	0.071	0.071
<u>1.009</u>	<u>1.016</u>	<u>1.010</u>	<u>1.010</u>	<u>1.018</u>	<u>1.016</u>

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

<u>Taxpayer</u>	<u>Fiscal Year 2014/2015</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
UAIC Development Corporation	\$ 12,623,315	0.78%
Auburn Creekside Buildings	11,491,920	0.71%
The Abbey Company	9,853,066	0.61%
Regal Cinemas Inc	9,494,479	0.58%
Reneson Hotels Inc Et Al	9,320,910	0.57%
Miltenyi Biotec Inc	9,124,809	0.56%
Union Pacific Railroad Company	6,579,866	0.40%
Foothill Terrance Apartments Inc	5,626,111	0.35%
Nella Oil Company LLC	5,112,662	0.31%
Effers Family Partners LP	4,661,248	0.29%
	<u>\$ 83,888,386</u>	<u>5.16%</u>

Total City of Auburn assessed property valuation Fiscal Year 2014/15

\$ 1,627,775,596

<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

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
2005/2006	3,723,878	3,723,878	100.00%	-	3,723,878	100.00%
2006/2007	4,118,329	4,118,329	100.00%	-	4,118,329	100.00%
2007/2008	4,402,015	4,402,015	100.00%	-	4,402,015	100.00%
2008/2009	4,084,946	4,084,946	100.00%	-	4,084,946	100.00%
2009/2010	3,923,742	3,923,742	100.00%	-	3,923,742	100.00%
2010/2011	3,726,242	3,726,242	100.00%	-	3,726,242	100.00%
2011/2012	3,403,509	3,403,509	100.00%	-	3,403,509	100.00%
2012/2013	3,520,802	3,520,802	100.00%	-	3,520,802	100.00%
2013/2014	3,080,832	3,080,832	100.00%	-	3,080,832	100.00%
2014/2015	3,775,327	3,775,327	100.00%	-	3,775,327	100.00%

Sources:

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	
2005/2006	420,000	4,965,000	-	68,580	84,121	356,739	5,894,440
2006/2007	290,000	4,900,000	-	56,931	58,815	269,046	5,574,792
2007/2008	150,000	4,845,000	-	44,954	33,512	182,815	5,256,281
2008/2009	-	4,775,000	4,530,746	32,570	31,278	93,177	9,462,771
2009/2010	-	4,685,000	4,459,169	19,832	29,044	46,269	9,239,314
2010/2011	-	4,575,000	4,387,592	6,710	26,810	38,404	9,034,516
2011/2012	-	4,450,000	-	-	-	29,731	4,479,731
2012/2013	-	4,305,000	-	-	-	610,349	4,915,349
2013/2014	-	4,130,000	-	-	-	453,356	4,583,356
2014/2015	-	3,930,000	-	-	-	293,866	4,223,866

Notes:

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

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

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

Sources:

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

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)
5,035,206	-	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	2.09%	0.98%	1,102
1,845,752	7,567,683	9,413,435	13,996,791	n/a	0.89%	1,025
1,507,628	7,401,377	8,909,005	13,132,871	n/a	0.81%	941

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

Fiscal Year	General Bonded Debt Outstanding		Total	Percent of Assessed Value (1)	Population	Per Capita
	General Obligation Bonds	Pension Obligation Bonds				
2005/2006	420,000	4,965,000	5,385,000	0.37%	12,975	415
2006/2007	290,000	4,900,000	5,190,000	0.32%	13,112	396
2007/2008	150,000	4,845,000	4,995,000	0.29%	13,273	376
2008/2009	-	4,775,000	4,775,000	0.27%	13,432	355
2009/2010	-	4,685,000	4,685,000	0.28%	13,578	345
2010/2011	-	4,575,000	4,575,000	0.29%	13,410	341
2011/2012	-	4,450,000	4,450,000	0.29%	13,468	330
2012/2013	-	4,305,000	4,305,000	0.28%	13,446	320
2013/2014	-	4,130,000	4,130,000	0.26%	13,660	302
2014/2015	-	3,930,000	3,930,000	0.24%	13,960	282

Note:

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

Sources:

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

CITY OF AUBURN
Direct and Overlapping Bonded Debt
As of June 30, 2015

City Assessed Valuation		<u>\$ 1,627,775,596</u>	
	<u>Percent Applicable</u>	<u>Outstanding Debt June 30, 2015</u>	<u>Estimated Share of Overlapping Debt</u>
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Placer Union High School District	14.699%	\$ 28,289,040	\$ 4,158,206
Total Overlapping Tax and Assessment Debt		<u>28,289,040</u>	<u>4,158,206</u>
OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Placer County General Fund Obligations	2.878%	\$ 38,085,000	1,096,086
Placer County Office of Education Certificates of Participations	2.878%	1,650,000	47,487
Sierra Joint Community College District General Fund Obligations	2.157%	8,457,000	182,417
Placer Union High School District Certificates of Participation	14.699%	4,670,000	686,443
Auburn Union School District Certificates of Participation	40.935%	33,745,888	13,813,879
Placer Mosquito and Vector Control District COPS	2.878%	3,910,000	112,530
Total Overlapping General Fund Obligation Debt		<u>90,517,888</u>	<u>15,938,843</u>
OVERLAPPING TAX INCREMENT DEBT:	.011 - 100%	<u>7,420,000</u>	<u>4,320,341</u>
Total Overlapping Debt		<u>126,226,928</u>	<u>24,417,390</u>
DIRECT GENERAL FUND OBLIGATION DEBT:			
City of Auburn Pension Obligations	100.000%	3,930,000	3,930,000
Capital leases	100.000%	293,866	293,866
Total Direct Debt		<u>4,223,866</u>	<u>4,223,866</u>
Total Combined Debt		<u>\$ 130,450,794</u>	<u>\$ 28,641,256</u>
RATIOS TO 2014/2015 ASSESSED VALUATION:			
Total Overlapping Tax and Assessment Debt	1.500%		
RATIOS TO ADJUSTED ASSESSED VALUATION:			
Combined Direct Debt (\$4,583,356)	0.259%		
Combined Total Debt	1.760%		

Note:

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

Sources:

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

CITY OF AUBURN
Computation of Legal Bonded Debt Margin
June 30, 2015

Secured Property Assessed Value, Net of Exempt Real Property	<u>\$ 1,625,820,392</u>
Bonded debt limit (3.75% of assessed value) (1)	\$ 60,968,265
Less debt subject to limit:	
Total pension obligation bonds at 06/30/15	(3,930,000)
Total sewer revenue bonds at 06/30/15	<u>(7,401,377)</u>
Legal debt margin	<u>\$ 49,636,888</u>

Note:

(1) California Government Code Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value at full market value when it was previously 25% of market value. 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.

Sources:

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

CITY OF AUBURN
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income		Taxable Assessed Valuation	Per Capita Taxable Property Values	Average Unemployment Rate
		Total	Per Capita			
2006	12,975	543,782,250	41,910	1,557,978,133	120,075	3.2%
2007	13,112	580,992,720	44,310	1,739,635,788	132,675	3.4%
2008	13,273	603,536,583	45,471	1,850,275,254	139,401	4.0%
2009	13,432	640,128,824	47,657	1,999,941,536	148,894	9.4%
2010	13,578	619,346,892	45,614	1,921,190,548	141,493	9.4%
2011	13,410	631,637,820	47,102	1,794,952,305	134,955	8.4%
2012	13,468	652,874,768	48,476	1,745,535,004	129,606	7.7%
2013	13,446	707,651,000	52,629	1,517,619,278	112,867	7.4%
2014	13,660	744,169,000	54,478	1,575,802,467	115,359	6.1%
2015	13,960	n/a	n/a	1,627,775,596	116,603	5.6%

Note:

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

Sources:

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
Current Year**

<u>Employer</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Placer County Water Agency	194	2.23%
Pride Industries	175	2.01%
AT & T	94	1.08%
Auburn Journal	92	1.06%
Auburn Placer Disposal - Recology	81	0.93%
United States Post Office	68	0.78%
City of Auburn	78.5	0.90%
Placer County (Domes Offices)	59	0.68%
Nella Oil	84	0.97%
Miltenyi Biotech	53	0.61%

Note:

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

Sources:

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,			
	2006	2007	2008	2009
City Council	5.00	5.00	5.00	5.00
City Manager's Office	2.00	1.50	1.00	1.00
City Clerk's Office	2.00	2.00	2.00	2.00
Finance/Administrative Services	5.00	8.00	6.00	4.00
Community Development	12.00	10.00	8.00	6.50
Police Department	35.50	36.50	36.00	35.00
Fire Department	14.50	13.00	13.00	11.00
Public Works	26.00	27.00	21.50	19.50
Airport	1.00	1.00	-	-
Total Full-Time Equivalent Employees	<u>103.00</u>	<u>104.00</u>	<u>92.50</u>	<u>84.00</u>

Source:
Administrative Services Department, City of Auburn

2010	2011	2012	2013	2014	2015
5.00	5.00	5.00	5.00	5.00	5.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00	4.00
6.50	5.50	5.50	5.50	4.00	3.00
30.00	28.00	28.00	28.00	28.00	26.00
11.00	11.00	11.00	16.00	16.00	12.00
18.50	18.50	17.50	18.00	18.00	17.00
-	-	-	-	-	-
78.00	75.00	74.00	79.50	78.00	70.00

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

	Fiscal Year			
	2005/2006	2006/2007	2007/2008	2008/2009
Auburn Airport:				
Tie-downs per year	978	1,020	1,044	1,034
Hangar rentals per year	97	120	88	83
Gallons of fuel sold per year	155,000	249,094	211,992	209,467
Environment and Utilities				
Gallons of wastewater treated per year (in millions)	628	530	451	446
Fire				
Fires per year	82	80	210	108
Emergency medical calls per year	1,013	1,093	1,106	1,333
Hazardous materials incidents per year	34	27	20	47
Non-emergency service calls per year	229	295	251	336
Police				
911 calls per year	2,910	2,819	2,666	2,325
Cases investigated per year	4,100	4,271	5,172	4,986
Arrests per year (1)	886	1,164	1,160	1,134
Building Permits				
Building permits issued per year	599	596	590	455
New building and alteration valuation	\$ 33,298,065	\$ 25,330,689	\$ 14,450,089	\$ 12,391,787

Note:

(1) Includes both physical arrests and citations

Source:

City of Auburn

<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
916	803	884	884	884	884
80	73	62	62	62	108
168,016	134,040	168,422	192,481	169,754	204,299
481	612	506	501	423	363
114	114	86	110	136	95
1,377	1,238	1,317	1,377	1,224	1,262
63	51	36	40	29	36
314	312	257	297	432	411
2,541	2,665	306	4,442	5,194	4,964
5,377	4,731	2,864	2,177	2,733	2,053
825	770	542	689	687	775
461	660	484	473	528	607
\$ 17,084,250	\$ 11,844,465	\$ 10,573,919	\$ 14,845,275	\$ 12,993,989	\$ 18,597,176

CITY OF AUBURN
Capital Asset Statistics
Last Ten Fiscal Years

	Fiscal Year			
	2005/2006	2006/2007	2007/2008	2008/2009
Auburn Airport				
Terminals (Airport Management Building)	1	1	1	1
Runways	1	1	1	1
Airport hangars	81	81	81	81
Environment and Utilities				
Miles of municipal sewer mains	62	62	62	62
Maximum daily capacity (gallons per day)	2,000,000	2,000,000	2,000,000	2,000,000
Fire				
Full-time staffed positions	1	1	1	1
Volunteer stations	2	2	2	2
Police				
Stations	1	1	1	1
Vehicles and motorcycles	27	27	27	27
Community Development				
Miles of municipal roadways	62	62	62	62
Pocket park sites	10	10	10	11

Source:
City of Auburn

<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
1	1	1	1	1	1
1	1	1	1	1	1
81	81	81	81	81	108
62	62	62	62	50	50
2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
29	29	29	23	29	29
62	62	62	62	62	62
11	11	11	11	11	11