

# City of Auburn, Maine

## Comprehensive Annual Financial Report



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*For Fiscal Year Ended  
June 30, 2013*

**CITY OF AUBURN, MAINE**

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**Finance Department**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

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

**Prepared By:**  
*Finance and Management*

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**CITY OF AUBURN, MAINE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2013**

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# ***INTRODUCTORY SECTION***



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# City of Auburn, Maine

*"Maine's City of Opportunity"*



## Financial Services

December 6, 2013

Honorable Mayor Labonte and  
Members of the City Council  
Auburn, Maine

Ladies and Gentlemen:

The comprehensive annual financial report of the City of Auburn, Maine for the fiscal year ended June 30, 2013, is hereby submitted in accordance with the requirements of both our City Charter and State statutes. The Charter and statutes require that the City issue an annual report of its financial position and activity, and that this report be audited by an independent firm of certified public accountants. This is the eleventh year that the City's Financial Services Department has prepared this report using the reporting requirements prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34. Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the City of Auburn on a government-wide and fund basis. All disclosures necessary to enable the reader to gain the maximum understanding of the City's activities have been included.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The "Single Audit" is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including a schedule of federal awards, findings, recommendations and the independent auditor's report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance, are included in a separately issued single audit report.

Accounting Principles Generally Accepted in the United States of America (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

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## **Governmental Structure**

The City of Auburn, incorporated in 1869, is located on the west bank of the Androscoggin River, in the south central section of the State and is the fourth largest City in the State of Maine. The City of Auburn continues to be a key area within the State in which industrial and commercial companies are investing. Auburn has a land area of 64 square miles and a population of 23,602. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City operates under the council-manager form of government. Policy-making and legislative authority are vested in the City Council, which consists of a mayor and a seven-member council. The Council is elected on a non-partisan basis. The mayor and council members are elected to two-year terms. Five of the council members are elected from within their respective districts. The mayor and the two remaining council members are elected at large. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the City's departments.

The City of Auburn provides a full range of services, including police and fire protection, sanitation services, the construction and maintenance of highways, streets and infrastructure, solid waste collection, public education, health and social welfare, recreation, general administration and economic development.

## **Major Initiatives during Fiscal Year 2013**

### **Economic Development**

The City works continually to improve the economic development climate in Auburn in an effort to attract new and retain existing quality jobs, expand the City's tax base and offer a quality of life that people desire. Although impacted, similar to every other community, by the economic downturn; Auburn has continued to experience a slow and steady recovery with our local unemployment rate reflecting a stronger position than either the State of Maine or the United States.

The City has a three-prong approach to economic development to ensure that we continue the diversification of our tax base and the balanced development of our community by encouraging growth in all sectors. Auburn's efforts are focused in three areas: 1) development of industrial parks, 2) the downtown and 3) the mall area. Significant progress was made in all three areas.

The City, in partnership with Auburn Business Development Corporation (a private, nonprofit development corporation), is moving forward on the City's newest industrial park. All permitting is completed and infrastructure improvements have begun. This development includes 174 acres and is located near the Auburn-Lewiston Municipal Airport and the intermodal facility.

The City hired a new assistant to the Economic Development Director, whose primary focus will be the downtown. He has begun the process of developing citizen involvement by conducting walking tours of the downtown and various discussion groups around downtown development.

The commercial-service center of Auburn has seen significant new investment. In March, construction began on a new 73,000 square foot dual sheet ice arena that will replace the current Ingersoll Arena. A private developer donated the land to the City and is building the arena, which the City will lease until such time they decide to purchase. This development has sparked new interest in the Mall area by many entities. The new arena opened November 15, 2013.

## **Financial Management**

The City is committed to ensuring sound financial management of the public's funds. This includes a five year Financial Plan, a five year Capital Improvement Plan, maintaining a sufficient fund balance, and adhering to the highest management standards. The City Council adopted a Fund Balance Policy in 2004 and updated it in 2011, to provide on-going guidance to elected officials to strengthen the fund balance. City employees perform their daily work with guidance from these plans and policies. The City met and exceeded its fund balance goal in fiscal year 2013.

## **Capital Improvements and Debt Service**

The City maintains an ongoing five year Capital Improvement Plan (CIP) that serves as a tool for the Mayor and City Council to make strategic investments in the community. In fiscal year 2013, the Capital Improvement budget included \$2.846 million to fund street, sidewalk, infrastructure and drainage improvements; \$1.675 million to fund School Department capital projects and \$1.079 million for building improvements and equipment replacements. The City of Auburn maintains an "AA-" rating from Standard & Poor's and an Aa3 rating from Moody's for the City's general obligation debt.

## **Education**

One of the hallmarks of a great community is an excellent public school system. Schools are one of several determining factors businesses and parents consider when deciding whether to locate in a city. The Auburn School Department works diligently to offer an educational program from Pre-K to grade 12 that ensures the success of every student and community learner. The Auburn School Department has long been recognized for numerous individual and district-wide accomplishments.

### **Educational Excellence**

Auburn has started down the exciting path toward Customized Learning. This approach to education honors the principles that students learn in different ways and in different timeframes. It strives to create a system where students are receiving the instruction they are ready for and are held to proficiency on learning targets before moving to the next learning. At this point in time, all levels of the system are somewhere along the path to full implementation of customized learning.

Auburn's Pre-K to 6 schools continue to refine their literacy and math instruction, making it more customized for students. Pre-K teachers have regular professional development with a literacy specialist who helps them understand and implement best practices in literacy for our Pre-K students. All K-6 teachers have completed a three-credit course focused on best practices in literacy instruction and this year continue customized professional development aimed at refining their implementation of a workshop model of instruction in literacy and math. This approach helps them best meet the needs of all students in their classrooms. In addition, K-1 students all have 1:1 iPads, a tool that helps teachers customize instruction for students in literacy and math.

At the middle-level, teachers have created a new schedule that provides teams with large blocks of uninterrupted time allowing for flexible grouping and re-grouping of students to best meet their instructional needs. Teams are also working to create inter-disciplinary units of study that integrate learning for students, increasing relevance and engagement.

The high school has started initial work to implement a proficiency-based, customized learning experience. A core group of classroom teachers has had training in advance of the rest of the staff. Those teachers are implementing strategies to provide authentic voice and choice to students and to help them learn to take more control of their learning. The entire staff will continue training this November and implement initial changes during the remainder of the school year.

All the work at the various levels is showing some great promise. As Auburn continues down the road toward a new educational system, community education and participation will be key. The District is making an intentional effort to keep the community well informed and to involve individual community members in a variety of ongoing efforts aimed to support the move to Customized Learning.

## School Building Infrastructure and Fleet Improvements

The School Department continued its work to improve the quality of the City's school facilities infrastructure. The School Department's facilities have a total replacement value of \$95,030,315; thereby, the School Department's Capital Improvement needs for Fy13 was submitted for review and recommendation to the City Council at \$2,138,254, which represents 2.2% of capital asset values. The City Councilors approved and authorized \$1,540,402 in CIP Bond issuance for the School Department in their September 2012 Bond Issuance.

The School Department also submitted to the State Department of Education for the State Revolving Renovation Loan Program. Three priority 1 projects were submitted and received approval and were funded through the Maine Municipal Bond Bank. The approval was for \$384,760, of which 55% will be forgiven and the remainder is repaid over a 5 year period with 0% interest.

The following projects were executed in FY13 with final project acceptance in September 2013.

<u>Location</u>	<u>Project Description</u>
Edward Little High School	Asbestos Floor Tile Replacement Library Carpet Replacement Classroom Furniture Replacement Security Surveillance Equipment & Controlled Door Access Underground Oil Tank Removal Tennis Court Repair & Resurface Graphic Arts Equipment Visual & Performing Arts Equipment New Stage Curtains
Franklin Alternative School	New VAC System Asbestos Removal
Walton School	New Shingled Roof New Sprinkler System Controlled Door Access Underground Oil Tank Removal New Catch Basins, Parking Lot Paving and Striping Asbestos Floor Tile Replacement New Exterior Security Lighting New Stage Curtains
Auburn Middle School	Skylight Replacements Drainage, Parking Lot Paving and Striping Underground Oil Tank Removal Security Surveillance Equipment & Controlled Door Access Cafeteria Window Replacements
Fairview School	Asbestos Floor Tile Replacement Controlled Door Access Underground Oil Tank Removal Cafeteria Table Replacements
Washburn School	Underground Oil Tank Removal
Sherwood Heights School	New VAC System Underground Oil Tank Replacement
Park Avenue School	Controlled Door Access
East Auburn School	New VAC System

We continued to implement the Verification and Measurement of the final phase of our Performance Contract with Siemens Technology. The Year-4 Savings Report of 2013 is an important measure to solidify that the anticipated savings have been realized. The Verification and Measurement Year-3 Savings Report was conducted and analysis revealed that the Siemens guaranteed annual savings of \$214,618 was not only met, but in fact, a savings of \$412,538 was realized. The savings is \$260,503

greater than originally projected. Approximately 30% of the annual savings can be attributed to our energy conversion to natural gas at six school facilities. The energy savings each fiscal year is used to reimburse Siemens Technology for the energy efficiency projects conducted 5 years ago. Siemens has guaranteed the savings; thus, if the savings are not realized, Siemens will reimburse the School Department the difference. The Annual Savings Reports will continue into the distant future to insure that savings are generated per agreement. Over the last four fiscal years, we have saved a total of \$1,131,633 in energy costs.

The School Department continues the replacement of older school buses, with the assistance of the State Department of Education Bus Purchase/Replacement program. We were fortunate to receive FY 12 DOE approval for the purchase of two new school buses in FY 13. These new buses will replace one 1997 International and one 1998 International regular 77-passenger school bus. The DOE Bus Purchase/Replacement program requires that school buses be eligible for replacement when they reach ten-years-old and have in excess of 125,000 miles. The DOE Bus Purchase/Replacement program schedule allows the Auburn School Department to maintain a bus fleet in conformance with the State DOE replacement guidelines and a fleet that this community can be proud of. The reimbursement from DOE is a direct allocation that is provided one year after the purchase; therefore, it behooves us to participate in the Bus Purchase/Replacement program and upgrade our bus fleet with State DOE funding assistance.

As we continue to explore alternative energy fuel, our FY13 bus purchase included two propane-fired engines. These propane engines get better gas mileage and have lower maintenance costs. The added cost to install a propane engine is \$7,200 per bus. After deducting the added cost of converting from diesel to propane, and taking into account the life expectancy of propane buses, we will generate a savings of \$42,800 per school bus, a projected annual savings is \$5,000 per school bus, at minimum, and representing a payback in 1.44 years. It is our intention to move the Auburn School Department bus fleet from diesel to propane over the course of 8 years. We currently have 5 school buses that operate on propane-fired engines. Aside from producing an annual savings, we are lessening our greenhouse gas emissions to the atmosphere.

**School Messenger**

Our grant collaboration with the Lewiston School Department has awarded a \$5 million dollar grant that is specific to School Safety. This five-year grant continues to afford us the ability to submit competitive grants relative to School Safety. During FY13, we were successful in submitting school security projects for Safe Schools grants that received awards for the implementation of School Messenger. Our School Messenger is fully integrated software that affords Auburn School Department the ability to alert law enforcement officials, staff, and parents with emergency notifications. Alert notifications are transmitted via land-lines, mobile phones, or email addresses and are also multi-dimensional, whereby information can be disseminated in multiple mediums simultaneously. The cost for 6 years of alert notification, software, licensing and training, is \$40,291.

**Grant Office**

The Auburn School Department was awarded directly or through joint applications 24 grants in fiscal year 12-13 for a total of \$1,188,441:

Federal	1
State of Maine	12
Foundation	10
Donation	<u>1</u>
<b>Total</b>	<b>24</b>

In addition, several teachers throughout the district obtained funding for their projects through *DonorsChoose*, an on-line charity, which connects classrooms in need with prospective donors. Teachers received supplies, instruments, books, and materials.

Highlights of grants received during 2012-13 are:

## **Safe Schools/Healthy Students**

2012-13 was the final year of a U.S. Department of Education grant. The Safe Schools/Healthy Students initiative is a collaborative effort between the Auburn and Lewiston School Districts that increases the coordination and delivery of prevention and treatment services to students.

A multi-year grant from the State of Maine's Department of Human Services is in its fifth year. The Student Intervention and Reintegration Program (SIRP), helps target at-risk youth between the ages of 15-18 who experiment with drugs and/or alcohol, but do not qualify for treatment. The program's focus is to help the youth make healthy decisions and reduce risk.

## **21<sup>st</sup> Century Community Learning Centers**

Auburn has one of the longest-running 21<sup>st</sup> Century Community Learning Center (CLC) programs in Maine. Continuously funded exclusively by grants and program revenues since 1999, CLC programs served 962 students in the 2012-13 school year and summer of 2013. Students in eight Auburn schools had the opportunity to extend their learning; develop new skills and interests; establish positive relationships with caring adults and their peers; and become involved in service to their school and community.

### **CLC Grant, Year 5**

The fifth and final year of this grant award from Maine's Department of Education's 21<sup>st</sup> Century Community Learning Center program benefited students in grades 3-8, through after-school programs at Auburn Middle, East Auburn, Sherwood Heights, and Walton Schools. Students from Merrill Hill attended a tutoring extension of the AMS program. Sixty-seven percent of the 450 students served were low-income students, 26% qualified for special services, and 6% were English Language Learners.

After school programs were maintained four days a week at Auburn Middle School and three days a week at each elementary school during this final grant at a planned funding reduction to 60% of the full grant amount. School-day teachers and ed techs staffed the program; twelve community volunteers aided weekly or for special events, including six students from Bates College who tutored at the middle school. A variety of student-centered programming, including academic skill supplements, homework help, technology enrichment, wellness/recreation, arts, and community service was delivered at each site. Teachers reported consistent improvement in classroom performance and homework completion for a majority of participating students. Student surveys showed a high level of connection to adults in the program, increased levels of activity, and a sense of belonging—all-important developmental assets for the elementary and middle years.

While this grant ends this year, we wrote a successful application for continuation funding. The program will be funded for an additional three years, serving grades 4-8 at Auburn Middle School, Sherwood Heights School, and Walton School, starting in July 2013.

### **CLC District Grant, Year 4**

The fourth year of this five-year grant award from Maine's Department of Education benefited students in grades 3-6 at Park Avenue and Washburn Schools and grades 9-12 at Edward Little High School. Students from Franklin Alternative School accessed services at Edward Little. Sixty-five percent of the 398 students served were low-income students eligible for free/reduced school lunch, 18% qualified for special services, and 20% were English Language Learners. Programs at the elementary level focused on reading/literacy, math, arts, health/wellness and community service. High School students in grades 11 & 12 focused on meeting graduation requirements with ELPM, a credit recovery program. With the help of credit recovery, 56 students graduated between July 1, 2012 and June 30, 2013 and 236 academic half-credits were earned. EL Connect, a new program serving students in grades 9 & 10, worked with students on study skills, aspirations, community building, credit recovery, and homework completion. Youth in the grade 9 & 10 program benefitted from community partnerships with the Auburn Public Library, Healthy Androscoggin, and the Career Center to access library, healthy lifestyle, job readiness, and career development services. Both high school programs focused on mentoring, raising student aspirations, and post-secondary planning, in addition to achieving academic success in high school.

## **College Access**

The MELMAC Foundation awarded a multi-year grant, Connecting Aspirations to a Plan, to Edward Little High School. The grant will aid ELHS in increasing their rate of post-secondary enrollment, especially from those students on the margin of our student population and broaden the range of post secondary options through one-on-one mentoring, college visits, and other initiatives.

## **Literacy**

An annual award from the L/A Fund allows students to integrate technology and art with writing by creating an original book in accordance with publication guidelines. The books are then judged and the winning entry is “published”. The entire program culminates with a book-signing event at the local library.

## **Science Grants**

- Students at RETC/SOS will grow produce year round in an indoor garden for their luncheon business, Deal’s. The garden will teach students about growing produce, organic practices and healthy eating. Students will experience hands-on, problem-based science as they work to meet educational standards in ecology and botany. Funding was secured from Lewiston and Auburn Children’s Foundation for this project.
- Students at AMS will plan and plant perennial flower gardens to revitalize the school grounds. Staff will learn how to incorporate environmental education activities and learning in the outdoors, into science, math, and language arts curricula during Project Learning Tree (PLT) training. The American Forest Foundation is the funder.
- A greenhouse was constructed at the Land Lab and made possible through a donation from the Robert J. Fournier Fund.
- Sherwood Heights Nature Trail was funded through a grant from Lowe’s Tool Box for Education Foundation. The project fosters an awareness of the natural environment by creating a self-guided path supported by educational lessons and projects applicable to life found within Sherwood Forest.
- The Andy Aggie Program at EL will create a live classroom at a local farm and the Auburn Land Lab. Students will gain knowledge and experience in topics like harvesting, seed crops, propagation, soil preparation, pest control, meteorological concerns, and economic lessons. The grant was awarded by the Maine Agriculture Department
- The Maine Math & Science Alliance (MMSA) was awarded a grant from the Maine Department of Education to work with 16 teachers throughout the school system to integrate science, engineering and mathematics concepts and practices by engaging in design challenges.

## **Health Grants**

- Through the State of Maine’s “Fresh Fruits and Vegetables” grant program, Park Avenue, Washburn, Sherwood Heights and Walton Schools received fresh produce for its students. This program provides daily healthy snacks to students, giving them the necessary vitamins and minerals, which they need to maximize their learning.
- The Let’s Go 5-2-1-0 program at EL Connect was funded by the Maine Medical Center. The project improves student health and engagement with a six-month progressive walking-hiking program that culminates in an overnight camping trip and outdoor challenge.
- A multi-year grant awarded to Community Clinical Services from the Maine Department of Education provides primary care and mental health services to students at ELHS and AMS.
- The school system was awarded a Harvard Pilgrim -Let’s Go! Healthy School Food Champion Grant to reduce the rate of childhood obesity by improving the environments where children learn and play – making the healthy choices the only choices. Menu boards were purchased for Edward Little and AMS, to make the cafeteria look more inviting and hope to increase student lunch participation.



## **Other Grant /Awards**

- The Wal-Mart Foundation funded a partnership between the Auburn Police Department and Franklin Alternative School. A culinary arts class will be offered to eight students per semester.
- Special needs students at Auburn Middle School visited Pineland Farm. They participated in gardening, milking cows, making butter, and a variety of ecological projects.
- New England School of Metalwork provided an introductory welding program to at-risk students attending Franklin Alternative School. MainStreet Foundation and the Chamber of Commerce funded this grant.
- Students at AMS created an exhibit, Teens Through the Generations, for L/A Museum. The funder was DonorsChoose.

## **Looking Ahead: Fiscal Year 2014 Goals**

The City of Auburn is working with the City of Lewiston and the Lewiston Auburn Economic Growth Council (LAEGC) to redefine what services both cities are looking for and the future direction of LAEGC. Auburn will continue to work on downtown redevelopment, completing the new industrial park and marketing the mall area.

The City Manager and Department Directors will be working to improve the Capital Improvement Program, by providing a ten-year projection of needed improvements and more detail on projects to help the City Council set priorities. The City Manager and Finance Director will be working with the City's financial advisor on a Debt Management Policy.

The City Manager and staff will be working to improve the budgeting process by relating budget objectives to the goals of the City Council.

## **Financial Information**

The City's Financial Services Department is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure being used is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs of control procedures are weighed against the expected benefits to be derived, and that the evaluation of costs and benefits requires educated estimates and professional judgments by management. All of the City's internal accounting control evaluations occur within this framework.

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and the finance department staff of the City.

The City adopts fiscal year budgets that are established in accordance with the various laws that govern the City's operations as authorized by the Council. The budget is divided into monthly budget allocations based on expenditure expectations and on historical trends, whenever possible. These allocations are reviewed monthly against actual expenditures, and variances are addressed in the financial report presented each month to the Council. At mid-year, unless conditions dictate an earlier need, budgets are reviewed; year-end projections made, and adjustments to the financial plan considered and any necessary changes are legally adopted through the passage of an appropriation and revenue resolve.

## Other Information

### **Independent Audit**

State Statute and the City Charter require an annual audit of all financial records by independent certified public accountants. The audit of fiscal year 2013 was performed for the City Council by the firm of Runyon Kersteen Ouellette, PA, a firm of licensed Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Auburn, for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluation of the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Auburn's financial statements for the fiscal year ending June 30, 2013, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984 and the related U.S. Office of Management and Budget's Circular A-133. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditors' reports on internal controls and compliance with applicable laws and regulations can be found in a separately issued single audit report.

### **Awards**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the year ended June 30, 2012. This was the twentieth consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America 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 requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgments**

This report is the result of many hours of dedicated work by Gina Klemanski, Jill Cunningham and Nancy Bosse in the Financial Services Department. I am also pleased to acknowledge the services and assistance of independent auditors, Runyon Kersteen Ouellette, in the preparation and production of this report.

Sincerely,



Jill M Eastman  
Finance Director

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Government Finance Officers Association

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

Presented to

**City of Auburn  
Maine**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

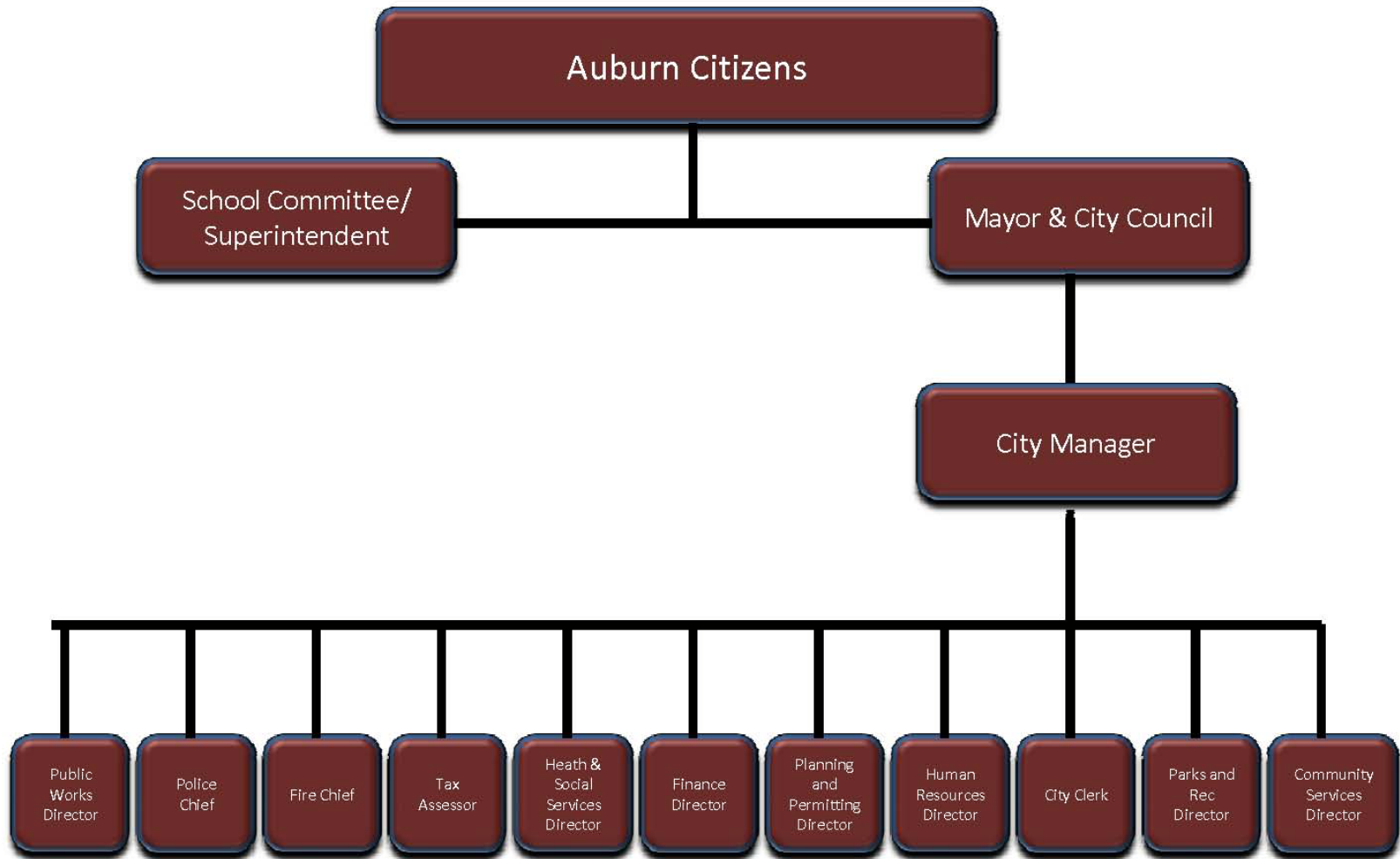
Executive Director/CEO

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ORGANIZATIONAL CHART

2013

City of Auburn



## CITY OF AUBURN, MAINE

### LIST OF ELECTED AND APPOINTED OFFICIALS

June 30, 2013

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#### Elected Officials

Mayor	Jonathan P. Labonte
Council Member – Ward 1	Tizz E. Crowley
Council Member – Ward 2	Robert P. Hayes
Council Member – Ward 3	Mary Kozicki Lafontaine
Council Member – Ward 4	David C. Young
Council Member – Ward 5	Leroy G. Walker
Council Member – At Large	Belinda Gerry
Council Member – At Large	Joshua A. Shea
School Committee – Chair, Ward 3	Thomas M. Kendall
School Committee – Ward 1	William Horton
School Committee – Ward 2	Bonnie J. Hayes
School Committee – Ward 4	Tracy Levesque
School Committee – Ward 5	Larry Pelletier
School Committee – At Large	Francois R. Bussiere
School Committee – At Large	Laurie Tannenbaum

#### Appointed Officials

City Manager	Clinton E. Deschene
Finance Director	Jill M. Eastman
School Superintendent	Katherine Grondin
School Business Manager	Jude Cyr
City Clerk	Susan Clements-Dallaire
Tax Collector	Nancy Bosse
Assessor	Renee Lachapelle
Fire Chief	Frank Roma
Human Resources Director	Deborah Grimmig
Police Chief	Phil Crowell
Public Works Director	Denis D'Auteuil
Parks & Recreation Director	Ravi Sharma
Health & Social Services Director	Dorothy Meagher

# ***FINANCIAL SECTION***



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## Report of Independent Auditors

City Council  
City of Auburn, Maine:

### **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, Maine as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

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

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Auburn, Maine's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

City Council  
City of Auburn, Maine

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2013, on our consideration of the City of Auburn, Maine'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink, reading "Remya Hudson Ouellette". The signature is written in a cursive style with a large initial 'R'.

December 6, 2013  
South Portland, Maine

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## **Management's Discussion and Analysis Fiscal Year Ended June 30, 2013**

As management of the City of Auburn, Maine, we offer this narrative overview and analysis of the financial activities of the City of Auburn for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal to this report.

### **Financial Highlights**

- The assets of the City of Auburn exceeded its liabilities at the close of the most recent fiscal year by \$85,679,168 (*net position*).
- The City of Auburn's total net position decreased by \$744,912. This decrease is a direct result of: \$3.8 million reduction in cash and cash equivalents; \$1.9 million reduction in receivables offset by a \$5.9 million investment in infrastructure and equipment. Although most of the capital investment was funded with general obligation bonds, repayments more than offset new proceeds, which resulted in a decrease in overall indebtedness by \$1.8 million.
- As of the end of the current fiscal year, the City of Auburn's governmental funds reported combined ending fund balances of \$28,662,966, a decrease of \$4,682,034 in comparison with the prior year.
- At the end of the current fiscal year, total assigned and unassigned fund balance for the General Fund was \$9,929,722, or 14.6% of total General Fund expenditures (on a budgetary basis).
- The City of Auburn issued bonds totaling \$6,207,323 for its Capital Improvement Plan during the current fiscal year. The new issue included \$2.531 million to fund street, sidewalk, infrastructure and drainage improvements; \$2.597 million to fund School Department facilities and \$1.079 million for building improvements and equipment replacements.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Auburn's basic financial statements. The City of Auburn's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Government-wide financial statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Auburn's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Auburn's 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 the City's 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Auburn that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works (highways, streets, and solid waste disposal), education, and culture and recreation. The City has two business-type activities, the Ingersoll Ice Arena and Centralized School Lunch. The government-wide financial statements can be found on pages 33-34 of this report.

## **Fund financial statements**

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

### **Governmental funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund 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 government's near-term financing requirements.

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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Auburn maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Community Development Programs, Tax Increment Financing, and the Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Auburn adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 35-40 of this report.

### **Proprietary funds**

The City of Auburn maintains one type of proprietary fund. The *enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Auburn uses the enterprise fund to account for its operations of Ingersoll Ice Arena and Centralized School Lunch.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 41-43 of this report.

### **Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Auburn's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 44-45 of this report.

## Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 46-75 of this report.

## Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Auburn's progress in funding its obligation to provide pension and retiree healthcare benefits to its employees. Required supplementary information can be found on page 76 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. The combining and individual fund statements and schedules can be found on pages 79-85 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Auburn, assets exceeded liabilities by \$85,679,168 at the close of the most recent fiscal year.

### City of Auburn's Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 33,702,153	\$ 39,935,221	\$ 634,699	\$ 663,284	\$ 34,336,852	\$ 40,598,505
Capital assets	120,832,594	117,381,704	708,368	781,208	121,540,962	118,162,912
<b>Total assets</b>	<b>\$ 154,534,747</b>	<b>\$ 157,316,925</b>	<b>\$ 1,343,067</b>	<b>\$ 1,444,492</b>	<b>\$ 155,877,814</b>	<b>\$ 158,761,417</b>
Long-term liabilities outstanding	57,731,633	58,437,409	-	-	57,731,633	58,437,409
Other liabilities	12,460,513	13,875,529	6,500	11,864	12,467,013	13,887,393
<b>Total liabilities</b>	<b>\$ 70,192,146</b>	<b>\$ 72,312,938</b>	<b>\$ 6,500</b>	<b>\$ 11,864</b>	<b>\$ 70,198,646</b>	<b>\$ 72,324,802</b>
Net investment in capital assets	61,542,514	53,111,954	708,368	781,208	62,250,882	53,893,162
Restricted	11,871,042	10,879,129	34,042	-	11,905,084	10,879,129
Unrestricted	10,929,045	21,012,904	594,157	651,420	11,523,202	21,664,324
<b>Total net position</b>	<b>\$ 84,342,601</b>	<b>\$ 85,003,987</b>	<b>\$ 1,336,567</b>	<b>\$ 1,432,628</b>	<b>\$ 85,679,168</b>	<b>\$ 86,436,615</b>

By far, the largest portion of the City of Auburn's net position (72.65% or \$62,250,882) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City has made a conscious effort to continue its investments in long-term infrastructure improvements such as storm water separation, roadways, traffic improvements, sidewalks, facilities, and large equipment, which have contributed to the growth in net position in fiscal year 2013. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



An additional portion of the City of Auburn's net position (13.89%) represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted *net position* is \$11,523,202.

At the end of the current fiscal year, the City of Auburn is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**City of Auburn's Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 2,128,112	\$ 2,059,956	\$ 669,015	\$ 682,372	\$ 2,797,127	\$ 2,742,328
Operating grants and contributions	29,939,559	31,778,591	1,159,343	976,379	31,098,902	32,754,970
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property and other taxes	42,759,291	43,192,698	-	-	42,759,291	43,192,698
Grants and contributions not restricted to specific programs	4,330,113	4,172,425	-	-	4,330,113	4,172,425
Other	183,383	295,621	757	51	184,140	295,672
<b>Total revenues</b>	<b>\$79,340,458</b>	<b>\$81,499,291</b>	<b>\$1,829,115</b>	<b>\$1,658,802</b>	<b>\$81,169,573</b>	<b>\$83,158,093</b>
<b>Expenses:</b>						
General government	13,391,002	14,680,105	-	-	13,391,002	14,680,105
Public safety	8,468,689	8,001,972	-	-	8,468,689	8,001,972
Health, welfare and recreation	2,266,012	2,117,014	-	-	2,266,012	2,117,014
Public works	8,086,620	6,059,774	-	-	8,086,620	6,059,774
Other agencies	3,560,926	3,389,283	-	-	3,560,926	3,389,283
Education	41,810,979	41,243,592	-	-	41,810,979	41,243,592
Interest on long-term debt	2,418,356	758,377	-	-	2,418,356	758,377
Ingersoll Ice Arena	-	-	490,593	539,555	490,593	539,555
Centralized School Lunch	-	-	1,421,308	1,175,149	1,421,308	1,175,149
<b>Total Expenses</b>	<b>\$80,002,584</b>	<b>\$76,250,117</b>	<b>\$1,911,901</b>	<b>\$1,714,704</b>	<b>\$81,914,485</b>	<b>\$77,964,821</b>
Transfer in (out)	13,275	13,275	(13,275)	(13,275)	-	-
Change in net position	(648,851)	5,262,449	(96,061)	(69,177)	(744,912)	5,193,272
Net position-July 1	84,991,452	79,729,003	1,432,628	1,501,805	86,424,080	81,230,808
<b>Net position - June 30</b>	<b>\$84,342,601</b>	<b>\$84,991,452</b>	<b>\$1,336,567</b>	<b>\$1,432,628</b>	<b>\$85,679,168</b>	<b>\$86,424,080</b>

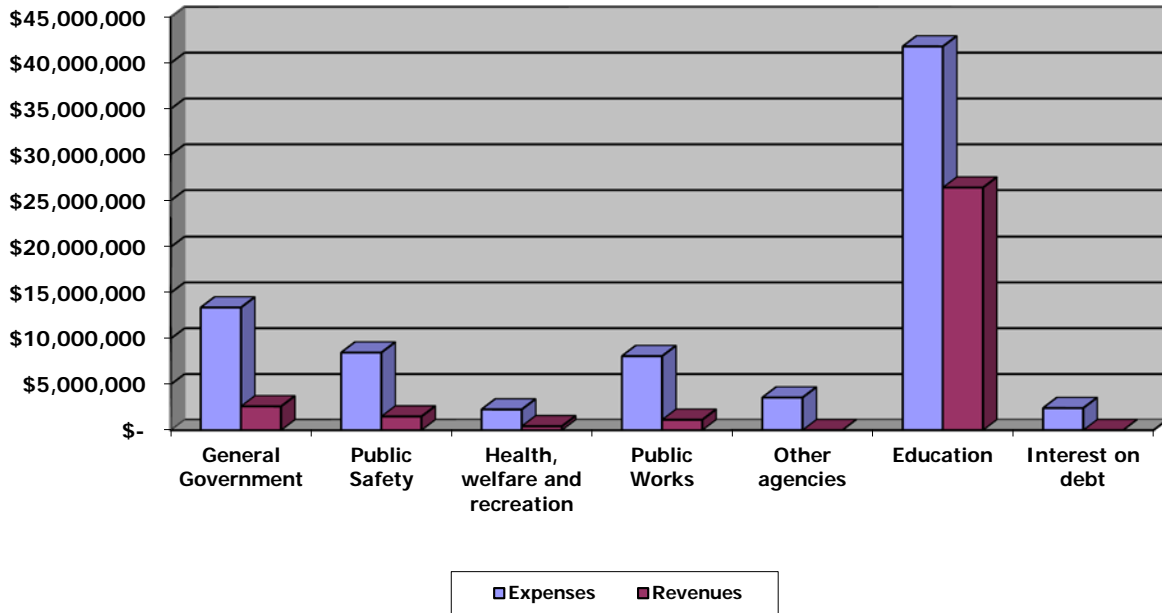
**Governmental Activities**

Governmental activities decreased the City of Auburn's net position by \$648,851, thereby accounting for 87.10% of the total reduction in the City's net position. Unclassified expenses have been reclassified in general government. Key elements of this decrease are as follows:

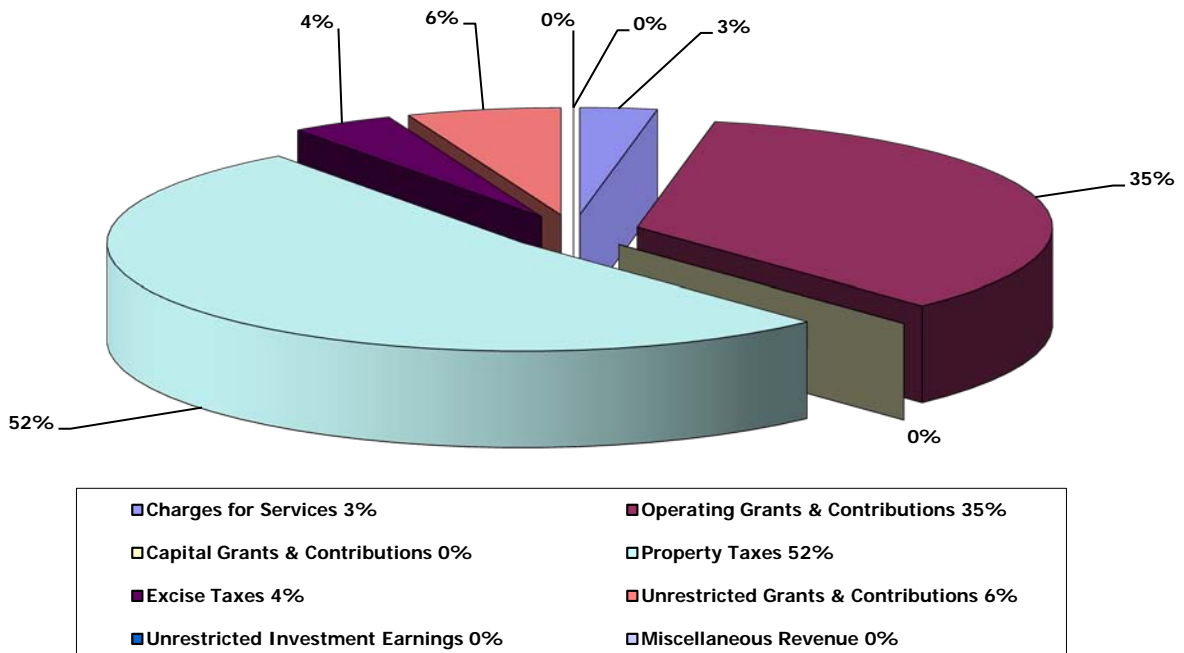
- Charges for services increased by \$68,156 (3.3%). The increase was attributed to more permits and a decline in education's tuitions.
- Operating grants and contributions decreased by \$4,949,984 (15.58%) due to a reduction in Community Development Block Grant Funding and a reduction in Education Grants.

- Total expenses increased by \$641,514 (0.8%) with the bulk of the increase attributable to an increase in public works (\$2,026,846).

**Expenses and Program Revenues - Governmental Activities  
For the Year Ending June 30, 2013**



**Revenues by Source - Governmental Activities  
For the Year Ended June 30, 2013**

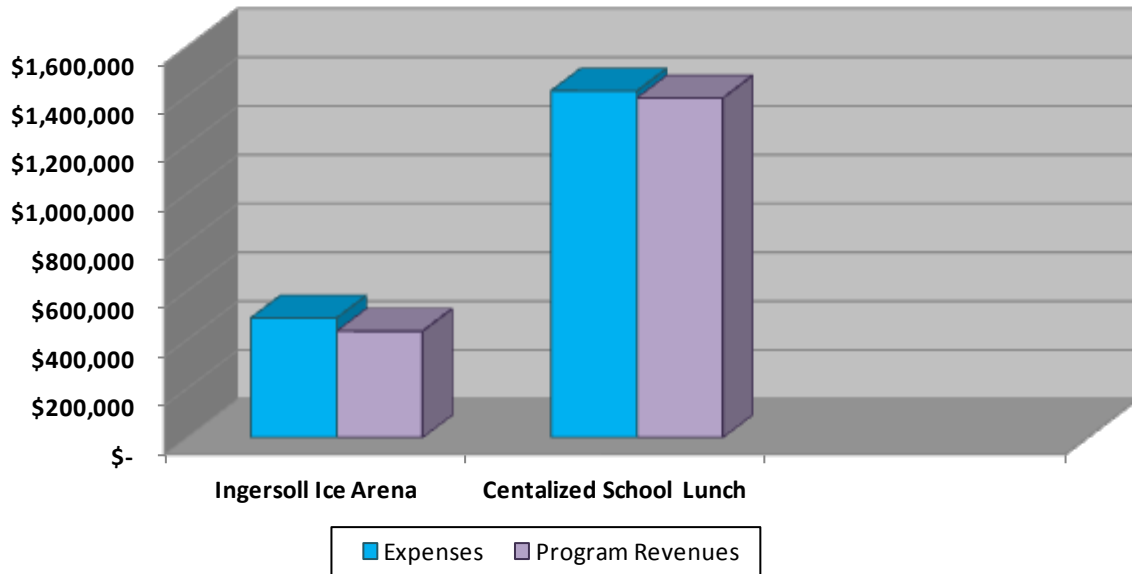


## Business-type Activities

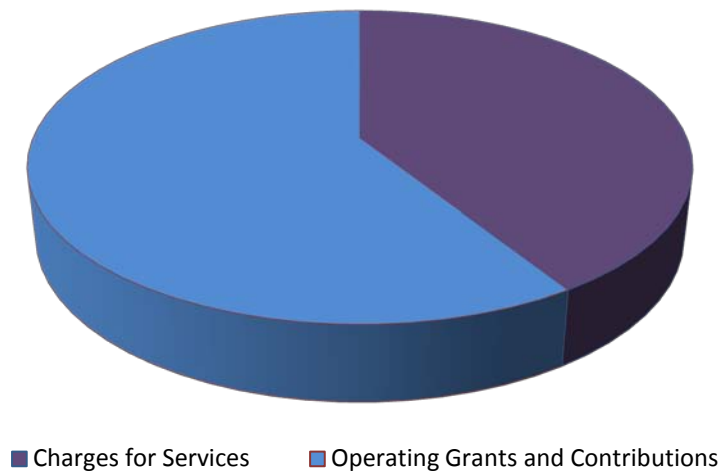
The City's two business-type activities, its Ice Arena and Centralized School Lunch, decreased the City of Auburn's net position by \$96,061.

Revenues for business-type activities decreased by \$170,313 or 10.27%. The Centralized School Lunch program was previously reported as a Special Revenue Fund.

**Expenses and Program Revenues - Business - Type Activities**  
For Year Ending June 30, 2013



**Revenue by Source - Business-type Activities**  
For Year Ending June 30, 2013



## **Financial Analysis of the Government's Funds**

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

### **Governmental Funds**

The focus of the City of Auburn'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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Auburn's governmental funds reported combined ending fund balances of \$28,662,966, a decrease of \$4,682,034, in comparison with the prior year. This total consists of: General Fund \$12,379,742; Community Development Programs Funds, \$4,496,407; Tax Increment Financing, \$1,580,498; Capital Projects Fund, \$7,647,600 and Other Governmental Funds, \$2,558,719. These fund balances are intended, and in some cases restricted, committed or assigned, for specific purposes.

*The General Fund* is the chief operating fund of the City of Auburn. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8,775,150. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund budget. Unassigned fund balance represents 12.94% of the total General Fund expenditures (on a budgetary basis) at June 30, 2013. The City Council adopted a Fund Balance Policy in June, 2011 establishing a goal of having a General Fund unassigned fund balance equal to 12.5% of the City's municipal and school budgets. Rating agencies look favorably upon the establishment of fund balance policies by communities, which signifies the recognition that a healthy fund balance is imperative to the good financial standing of the community.

*The Community Development Program Fund* fund balance decreased by \$107,024. The decrease was due to the timing of drawdowns and the reduction of grants receivable.

*The Tax Increment Financing Fund* fund balance increased by \$172,775 due to an increase in property values in various districts which produced a higher amount of captured tax dollars for these districts

*The Capital Projects Fund* fund balance decreased by \$3,034,898 primarily due to bond proceeds that were received during FY 2012 and spent during FY 2013.

### **Proprietary Funds**

The City of Auburn's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the City's proprietary funds, which include Ingersoll Ice Arena and the Centralized School Lunch Program, amounted to \$594,157. The total decrease in net position was \$96,061.

### **General Fund Budgetary Highlights**

There were no supplemental appropriations for the fiscal year ending June 30, 2013. Carry forward amounts from June 30, 2013 are reflected in the final budget in statement 6.

For the current fiscal year, the total revenue was below budgetary projections and the total expenditures were below budgetary projections. During the current fiscal year, the fund balance of the City of Auburn's General Fund decreased by \$1,583,491. Contributing factors to this decrease included:

- Motor vehicle excise taxes were above budgetary projections by \$194,554.
- Property taxes were below budgetary projections by \$1,456,354, due to an error in the tax commitment. This error was offset by a spending freeze enacted in January.
- State Revenue Sharing was above budgetary projections by \$119,701.
- All departmental accounts were under budget due to the spending freeze that was implemented, except the Fire Department and Health and Social Services – public assistance.

**Capital Asset and Debt Administration**

**Capital Assets**

The City of Auburn’s investment in capital assets for its governmental and business-type activities as of June 30, 2013 amounts to \$121,540,962 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, vehicles and infrastructure. The total increase in the City of Auburn’s investment in capital assets for the current fiscal year was 2.9 percent. For more detail, refer to Capital Assets in the Detail Notes for All Funds on Pages 53-54.

	(net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 7,489,841	\$ 7,489,841	\$ -	\$ -	\$ 7,489,841	\$ 7,489,841
Buildings	43,347,568	43,182,147	240,877	263,286	43,588,445	43,445,433
Machinery and Equipment	1,221,155	1,109,366	458,914	505,387	1,680,069	1,614,753
Infrastructure	60,031,347	57,531,672	-	-	60,031,347	57,531,672
Construction in Progress	5,041,731	4,557,373	-	-	5,041,731	4,557,373
Vehicles	3,700,952	3,498,770	8,577	12,535	3,709,529	3,511,305
<b>Total</b>	<b>\$ 120,832,594</b>	<b>\$ 117,369,169</b>	<b>\$ 708,368</b>	<b>\$ 781,208</b>	<b>\$ 121,540,962</b>	<b>\$ 118,150,377</b>

Major capital asset events during the current fiscal year included the following:

- A variety of street and sidewalk maintenance and construction projects throughout the City were undertaken during the year, including paving and reclamation totaling \$3,162,989; completion of Park Avenue path and roadway improvements totaling \$435,463; South Main St reconstruction totaling \$193,516; drainage improvements totaling \$56,729; various road reconstruction projects totaling \$2,808,743 for overall project expenditures of \$6,657,440 at fiscal year end.
- The Education Department funded building improvements in the following schools: Auburn Middle School (window replacement and boiler conversion) totaling \$46,243; Edward Little High School (boiler replacement and conversion) totaling \$569,813; East Auburn (HVAC replacement) totaling \$111,232; Lake Street (HVAC replacement) totaling \$130,125; and Washburn School ((HVAC replacement) totaling \$204,668.
- Police department purchased four Dodge Chargers at a total cost of \$150,236; new mobile computers totaling \$202,860.
- Public Works Garage was resided at the total cost of \$190,105.
- Fire department purchased a Ford Explorer and a new E-One Fire truck for a total cost of \$634,508.
- Parks and recreation replaced the gym floor at Hasty Memorial Armory at the total cost of \$120,740.

**Long-term Debt**

At the end of the current fiscal year, the City of Auburn had total general obligation bonded debt outstanding of \$59,534,323. The City’s entire debt is backed by the full faith and credit of the City. For more detail, refer to Long-term Debt in the Detail Notes for All Funds on pages 59-60.

General Obligation Bonds			
Governmental Activities		Business-type Activities	
2013	2012	2013	2012
\$ 59,534,323	61,239,000	-	-

During the current fiscal year, the City of Auburn's total bonded debt decreased by \$1,704,677. The City issued general obligation bonds totaling \$6,207,323 for the annual capital improvement program for the City, and School Department.

The City of Auburn maintained an "Aa3" rating from Moody's on September 11, 2012 and received an "AA-" rating from Standard & Poor's for its general obligation debt. Please refer to the agencies reports for a comprehensive explanation of its rating assessment.

State statutes limit the amount of general obligation debt a municipality may issue to 15 percent of its total state assessed valuation. The current debt limitation for the City of Auburn is \$293,160,000 that is significantly in excess of the City of Auburn's outstanding general obligation debt.

### Next Year's Goals, the Economic Climate, and the Budget and Tax Rates

The City of Auburn underwent the most challenging budget in recent memory. During the economic downturn, towns and cities have been struggling to reduce costs and increase development to offset property taxes. The budget this year had an added challenge of offsetting \$750,000 in lost revenue sharing from the State of Maine. All of this occurring at the same time as working on the goals and challenges specific to our region and Auburn. The great news is that communication is building momentum. The City Council began the process last year to commit to setting goals and objectives. After the elections this year, the Council will reinstate a lost tradition of orientation. Each Councilor will be provided a "crash course" on Auburn Municipal operations. This will springboard into a goal setting process facilitated by the City Manager and Assistant City Manager. After the goals and a work plan are developed the Council will immediately begin work on these issues, and a budget that will incorporate a review of departments, using themes from performance and programmatic budgeting. Staff is working diligently to develop new information to improve the data in current budgets.

The City used five more general philosophies last year for planning and budgeting. These philosophies entailed:

1. Develop planning objectives and steps that set policy directives for the staff to carry out.
2. Measure progress on goals by the success of the project, while maintaining efficient, cost-effective budgets.
3. Set clear financial priorities for the City on an annual basis.
4. Goals and objectives of the City will be reviewed in categories that clearly identify the responsible department of the City.
5. Maintain efficient government processes to promote the City and provide complete transparency.

The goal for this year is to build from the foundation of these philosophies and the goals to progress the budget process. The City Charter spells out a budget process that reviews programs and performance and building on last year's efforts, the budget and finances for Auburn should build a stronger economic outlook for years to come.

## **Economic Factors**

The City's property tax base has suffered in recent years due to the volatility of the housing market and it may still be too early to be certain, but signs are beginning to appear that show the return of some stability. Unfortunately, the State Budget reductions to Revenue Sharing have delayed the ability to make significant progress. The plan to increase the overall tax base in Auburn as the best way to sustain the quality of life and reduce the property tax burden is still the objective of the City. The City and the Auburn Business Development Corporation are beginning construction of a new industrial park. The City is also about to open a new dual surface ice arena in partnership with a private developer. As the arena progresses the economic support and sustainability becomes more certain. New businesses that are coming to our region are advertising and supporting the mission of this new arena. In Auburn's downtown there is a strong focus and demand towards redevelopment and possibly a form based code that will solidify investments. A new Auburn Transportation study committee of citizens and businesses is directing a consultant towards traffic planning that will inspire redevelopment in this area. Finally, the City continues to work with various development agencies or private firms that are poised to invest in the City. The progress that is being made is a culmination of staff efforts and the Council's goal to advance the economic development mission and vision for Auburn.

Another direction that has evolved from our dedication to economic development is regarding transportation planning. Auburn has led the review of how we view economic development and has Lewiston and partner agencies reviewing better ways to advance our region. One aspect is creating a port authority around our inland port area near Auburn Lewiston Airport and surrounding industrial areas. A second policy direction, that is creating conversation, is Auburn's decision to promote our Downtown for passenger services. Auburn is investing \$250,000 in local funds to build a Downtown Transportation Center that could serve the city. The Council has also adopted a Downtown Passenger Rail Policy to build the data to prove ridership so that when federal funds become available we can show the usage to support investment. All these policies and efforts are being coordinated to foster a stronger community that has a vision.

## **The Budget and Tax Rates**

The City is growing more aware of the cost of taxes regardless of the mil rate. Recent steps to reduce staff and lower costs had an adverse impact on sustaining growth. Last year the Council reinstated staff reductions to return capacity to staff to grow the economy. As a result all external services are being reviewed for productivity and prioritization. The City has an objective to maximize the value of dollars being spent by reorganizing the duties of staff and agencies so that all priorities of the City are carried out to maximize the growth of the City and Region.

## **Requests for Information**

This financial report is designed to provide a general overview of the City of Auburn's financial condition for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director or City Manager, 60 Court Street, Auburn, Maine.

# **BASIC FINANCIAL STATEMENTS**



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**CITY OF AUBURN, MAINE**  
**Statement of Net Position**  
**June 30, 2013**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,952,018	424,673	11,376,691
Investments	13,212,122	-	13,212,122
Amounts held in escrow	22,152	-	22,152
Receivables:			
Accounts, net of allowance	340,919	31,780	372,699
Intergovernmental	1,290,969	39,262	1,330,231
Taxes receivable	1,901,165	-	1,901,165
Loans, net of allowance	6,085,890	-	6,085,890
Internal balances	(104,942)	104,942	-
Prepaid expenses	1,860	-	1,860
Inventories	-	34,042	34,042
Capital assets, not being depreciated	12,531,572	-	12,531,572
Capital assets, being depreciated, net	108,301,022	708,368	109,009,390
Total assets	154,534,747	1,343,067	155,877,814
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	2,025,094	6,500	2,031,594
Accrued payroll	1,159,260	-	1,159,260
Noncurrent liabilities:			
Due within one year	9,276,159	-	9,276,159
Due in more than one year	57,731,633	-	57,731,633
Total liabilities	70,192,146	6,500	70,198,646
<b>NET POSITION</b>			
Net investment in capital assets	61,542,514	708,368	62,250,882
Restricted for:			
Nonexpendable:			
Long-term receivables	5,640,883	-	5,640,883
Principal	69,475	-	69,475
Inventory	-	34,042	34,042
Tax Increment Financing districts	1,578,713	-	1,578,713
Other purposes:			
City Services	850,519	-	850,519
Education	3,110,145	-	3,110,145
Community Development Programs	428,273	-	428,273
Permanent Funds	193,034	-	193,034
Unrestricted	10,929,045	594,157	11,523,202
Total net position	\$ 84,342,601	1,336,567	85,679,168

*See accompanying notes to financial statements.*

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

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		
					Governmental activities	Business-type activities	Total
Primary government:							
Governmental activities:							
General government	\$ 13,391,002	480,870	2,118,953	-	(10,791,179)	-	(10,791,179)
Public safety	8,468,689	841,366	653,812	-	(6,973,511)	-	(6,973,511)
Health, welfare and recreation	2,266,012	318,635	112,794	-	(1,834,583)	-	(1,834,583)
Public works	8,086,620	2,674	1,132,159	-	(6,951,787)	-	(6,951,787)
Other agencies	3,560,926	-	-	-	(3,560,926)	-	(3,560,926)
Education	41,810,979	484,567	25,921,841	-	(15,404,571)	-	(15,404,571)
Interest on debt	2,418,356	-	-	-	(2,418,356)	-	(2,418,356)
Total governmental activities	80,002,584	2,128,112	29,939,559	-	(47,934,913)	-	(47,934,913)
Business-type activities:							
Ingersoll Ice Arena	490,593	436,570	-	-	-	(54,023)	(54,023)
Centralized School Lunch	1,421,308	232,445	1,159,343	-	-	(29,520)	(29,520)
Total business-type activities	1,911,901	669,015	1,159,343	-	-	(83,543)	(83,543)
<b>Total primary government</b>	<b>\$ 81,914,485</b>	<b>2,797,127</b>	<b>31,098,902</b>	<b>-</b>	<b>(47,934,913)</b>	<b>(83,543)</b>	<b>(48,018,456)</b>
General revenues, unrestricted:							
Property taxes, levied for general purposes					39,394,962	-	39,394,962
Motor vehicle excise taxes					3,213,054	-	3,213,054
Interest on delinquent taxes					151,275	-	151,275
Grants and contributions not restricted to specific programs:							
State Revenue Sharing					2,519,701	-	2,519,701
Homestead and BETE exemptions					1,760,794	-	1,760,794
Other State aid					49,618	-	49,618
Unrestricted investment earnings					16,581	757	17,338
Miscellaneous revenues					166,802	-	166,802
Transfers/contributions					13,275	(13,275)	-
Total general revenues and transfers					47,286,062	(12,518)	47,273,544
Change in net position					(648,851)	(96,061)	(744,912)
Net position - beginning					84,991,452	1,432,628	86,424,080
<b>Net position - ending</b>					<b>\$ 84,342,601</b>	<b>1,336,567</b>	<b>85,679,168</b>

*See accompanying notes to financial statements.*

CITY OF AUBURN, MAINE  
Balance Sheet  
Governmental Funds  
June 30, 2013

	General	Community Development Programs	Tax Increment Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 10,952,018	-	-	-	-	10,952,018
Investments	316,533	-	1,117,525	11,209,533	568,531	13,212,122
Receivables:						
Taxes	1,901,165	-	-	-	-	1,901,165
Accounts, net of allowance	220,952	-	-	18,380	101,587	340,919
Interfund receivables	1,602,354	159,197	461,188	-	809,304	3,032,043
Intergovernmental	512,311	339,122	-	-	439,536	1,290,969
Loans, net of allowance	445,007	4,068,134	-	-	1,572,749	6,085,890
Prepaid expenditures	75	-	1,785	-	-	1,860
<b>Total assets</b>	<b>\$ 15,950,415</b>	<b>4,566,453</b>	<b>1,580,498</b>	<b>11,227,913</b>	<b>3,491,707</b>	<b>36,816,986</b>
<b>LIABILITIES</b>						
Accounts payable	536,867	70,046	-	1,149,293	227,023	1,983,229
Accrued payroll and benefits payable	1,159,260	-	-	-	-	1,159,260
Escrow funds payable	41,865	-	-	-	-	41,865
Interfund payables	-	-	-	2,431,020	705,965	3,136,985
Total liabilities	1,737,992	70,046	-	3,580,313	932,988	6,321,339
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	1,832,681	-	-	-	-	1,832,681
Total deferred inflows of resources	1,832,681	-	-	-	-	1,832,681
<b>FUND BALANCES</b>						
Nonspendable - long-term receivables	-	4,068,134	-	-	1,572,749	5,640,883
Nonspendable - principal	-	-	-	-	69,475	69,475
Nonspendable - prepaid expenditures	75	-	1,785	-	-	1,860
Restricted	2,449,945	428,273	1,578,713	-	1,703,753	6,160,684
Committed	-	-	-	7,647,600	337,885	7,985,485
Assigned	1,154,572	-	-	-	-	1,154,572
Unassigned	8,775,150	-	-	-	(1,125,143)	7,650,007
Total fund balances	12,379,742	4,496,407	1,580,498	7,647,600	2,558,719	28,662,966
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 15,950,415</b>	<b>4,566,453</b>	<b>1,580,498</b>	<b>11,227,913</b>	<b>3,491,707</b>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	120,832,594
Amounts held in escrow	22,152
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,832,681
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Bonds and notes payable	(60,038,841)
Unamortized Debt Premiums	(1,052,751)
Accrued compensated absences	(2,283,585)
Accrued self insurance liability	(772,385)
Other post employment benefits liability	(936,007)
City pension liability	(735,683)
Accrued landfill liability	(525,615)
Accrued interest on long-term debt	(662,925)

**Net position of governmental activities**

**\$ 84,342,601**

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

	General	Community Development Programs	Tax Increment Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 42,749,449	-	-	-	-	42,749,449
Intergovernmental	27,416,514	1,306,216	-	-	4,908,911	33,631,641
Licenses and permits	374,011	-	-	-	-	374,011
Charges for services	1,326,110	-	-	-	394,515	1,720,625
Other	216,328	279,934	-	33,865	324,762	854,889
Total revenues	72,082,412	1,586,150	-	33,865	5,628,188	79,330,615
<b>Expenditures:</b>						
Current:						
General government	7,851,807	1,693,174	955,852	-	1,380,293	11,881,126
Public safety	8,063,515	-	-	-	-	8,063,515
Health, welfare and recreation	1,739,025	-	-	-	283,294	2,022,319
Public works	4,524,288	-	-	-	-	4,524,288
Other agencies	3,560,926	-	-	-	-	3,560,926
Education	38,189,085	-	-	-	3,948,882	42,137,967
Unclassified	404,889	-	-	-	780	405,669
Self insurance	383,566	-	-	-	-	383,566
Capital outlay	-	-	306	9,799,913	-	9,800,219
Debt service	6,617,024	-	1,137,802	173,889	144,335	8,073,050
Total expenditures	71,334,125	1,693,174	2,093,960	9,973,802	5,757,584	90,852,645
Excess (deficiency) of revenues over (under) expenditures	748,287	(107,024)	(2,093,960)	(9,939,937)	(129,396)	(11,522,030)
<b>Other financing sources (uses):</b>						
General obligation bonds issued	-	-	-	6,207,323	-	6,207,323
Refunding bonds issued	-	-	-	8,685,000	-	8,685,000
Premium on issuance of debt	-	-	-	1,052,751	-	1,052,751
Payment to refunded bond escrow agent	-	-	-	(9,118,353)	-	(9,118,353)
Transfers to/from other funds	(2,331,778)	-	2,266,735	78,318	-	13,275
Total other financing sources (uses)	(2,331,778)	-	2,266,735	6,905,039	-	6,839,996
Net change in fund balances	(1,583,491)	(107,024)	172,775	(3,034,898)	(129,396)	(4,682,034)
Fund balances, beginning of year	13,963,233	4,603,431	1,407,723	10,682,498	2,688,115	33,345,000
<b>Fund balances, end of year</b>	<b>\$ 12,379,742</b>	<b>4,496,407</b>	<b>1,580,498</b>	<b>7,647,600</b>	<b>2,558,719</b>	<b>28,662,966</b>

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

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Net change in fund balances - total governmental funds (from Statement 4) \$ (4,682,034)

Amounts reported for governmental activities in the statement of activities (Statement 2) 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 as depreciation expense.

This is the amount by which capital outlay exceeded depreciation expense in the current period:

Capital outlays recorded as expenditures in governmental funds	9,435,911
Depreciation and losses on dispositions not reported in governmental funds	(5,972,486)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This represents the change in unavailable revenue - property taxes. 9,842

The issuance of long-term debt (e.g., bonds, notes and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount by which repayments exceeded proceeds:

Bond and note proceeds recorded as other financing sources in governmental funds	(6,207,323)
Principal payments on debt recorded as expenditures in governmental funds	8,006,078
Premium on issuance of debt	(1,052,751)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds; alternatively, some expenditures using current financial resources are not expenses in the statement of activities:

Compensated absences	(106,928)
Self-insurance expenses	32,819
Other post employment benefits	(207,704)
City pension	49,443
Accrued landfill liability	60,235
Accrued interest on long-term debt	(13,953)

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**Change in net position of governmental activities (see Statement 2) \$ (648,851)**

*See accompanying notes to financial statements.*

**CITY OF AUBURN, MAINE**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balance -- Budget and Actual**  
**For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes:				
Real and personal property	\$ 40,841,474	40,841,474	39,385,120	(1,456,354)
Excise and registrations	3,018,500	3,018,500	3,213,054	194,554
Interest on delinquent taxes	140,000	140,000	151,275	11,275
Total taxes	43,999,974	43,999,974	42,749,449	(1,250,525)
Intergovernmental:				
State Revenue Sharing	2,400,000	2,400,000	2,519,701	119,701
School subsidy	18,859,274	18,859,274	18,598,926	(260,348)
Homestead	514,584	514,584	503,081	(11,503)
BETE	1,209,667	1,209,667	1,257,713	48,046
Other:				
School Department	321,446	321,446	303,088	(18,358)
Tax sharing/in lieu of	228,362	228,362	251,312	22,950
Municipal	637,185	637,185	871,741	234,556
Total intergovernmental	24,170,518	24,170,518	24,305,562	135,044
Other revenue:				
Licenses and permits	199,800	199,800	374,011	174,211
Charges for services:				
Municipal	756,155	756,155	738,883	(17,272)
School	468,565	468,565	462,930	(5,635)
Fines, forfeits and penalties	48,000	48,000	33,475	(14,525)
Interest:				
Municipal	32,000	32,000	15,510	(16,490)
Miscellaneous	72,500	72,500	166,802	94,302
Total other revenue	1,577,020	1,577,020	1,791,611	214,591
Total revenues	69,747,512	69,747,512	68,846,622	(900,890)

**CITY OF AUBURN, MAINE**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balances -- Budget and Actual**  
**For the Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>		Actual	Variance with final budget positive (negative)
	Original	Final		
Expenditures:				
General government:				
Mayor and Council	\$ 99,690	99,690	89,269	10,421
City Manager	343,296	343,296	309,875	33,421
Assessing	183,801	183,801	173,022	10,779
City Clerk	150,676	150,676	136,624	14,052
Finance	419,539	422,539	409,183	13,356
Human resources	137,836	139,287	130,914	8,373
Information Communication Technology	386,632	386,632	328,830	57,802
Engineering	320,370	340,558	297,041	43,517
Legal services	85,000	85,000	46,460	38,540
Planning and permitting	776,532	791,271	705,269	86,002
Property	699,114	702,238	609,876	92,362
Worker's compensation (transfer to reserve)	415,000	415,000	415,000	-
Benefits and wage increases	4,602,545	4,602,545	4,198,379	404,166
Total general government	8,620,031	8,662,533	7,849,742	812,791
Public safety:				
Fire	3,904,344	3,904,344	4,048,582	(144,238)
Police	3,439,583	3,498,558	3,390,947	107,611
Water and sewer	558,835	558,835	553,446	5,389
Total public safety	7,902,762	7,961,737	7,992,975	(31,238)
Health, welfare and recreation:				
Health and social services	70,401	70,401	68,892	1,509
Health and social services - public assistance	106,166	106,166	156,742	(50,576)
Community and social service agencies	14,050	14,050	12,650	1,400
Library	968,292	968,292	954,836	13,456
Parks and recreation	602,191	602,191	545,905	56,286
Total health, welfare and recreation	1,761,100	1,761,100	1,739,025	22,075
Public works				
	4,617,744	4,757,566	4,520,903	236,663
Other agencies:				
County tax	2,006,244	2,006,244	2,006,244	-
Auburn-Lewiston Airport	105,000	105,000	105,000	-
Lewiston-Auburn Econ. Growth Council	160,687	160,687	160,687	-
Lewiston-Auburn Transit Committee	235,548	235,548	235,496	52
Lewiston-Auburn E911 Center	1,035,381	1,035,381	1,034,595	786
Community Little Theater	20,160	20,160	18,904	1,256
Total other agencies	3,563,020	3,563,020	3,560,926	2,094



**CITY OF AUBURN, MAINE**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balances -- Budget and Actual**  
**For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Expenditures, continued:				
Education	\$ 35,903,082	35,903,082	35,078,133	824,949
Other appropriations:				
Tax sharing	289,000	289,000	280,041	8,959
Overlay/abatements	-	-	124,848	(124,848)
Debt service - principal	5,568,893	5,568,893	5,571,820	(2,927)
Debt service - interest and other	1,113,904	1,113,904	1,045,204	68,700
Emergency reserve	333,818	333,818	-	333,818
Total other appropriations	7,305,615	7,305,615	7,021,913	283,702
Total expenditures	69,673,354	69,914,653	67,763,617	2,151,036
Excess (deficiency) of revenues over (under) expenditures	74,158	(167,141)	1,083,005	1,250,146
Other financing sources (uses):				
Transfers in from other funds	337,487	337,487	337,487	-
Transfers to other funds	(2,619,142)	(2,619,142)	(2,669,265)	(50,123)
Budget use of surplus - City	1,350,000	1,350,000	-	(1,350,000)
Use of carryforwards - City	-	241,299	-	(241,299)
Budget use of surplus - School	857,497	857,497	-	(857,497)
Total other financing sources (uses)	(74,158)	167,141	(2,331,778)	(2,498,919)
Net change in fund balance - budgetary basis	-	-	(1,248,773)	(1,248,773)
To adjust to modified accrual basis:				
To reflect net change in reserves			(334,718)	
Net change in fund balance - GAAP basis			(1,583,491)	
Fund balance, July 1,			13,963,233	
<b>Fund balance, June 30</b>			<b>\$ 12,379,742</b>	

*See accompanying notes to financial statements.*

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

<b>Business-type Activities - Enterprise Funds</b>			
	<b>Ingersoll Ice Arena</b>	<b>Centralized School Lunch</b>	<b>Totals</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 249,252	175,421	424,673
Accounts receivable	18,825	12,955	31,780
Due from other governments	-	39,262	39,262
Interfund receivables	104,869	73	104,942
Inventory	-	34,042	34,042
Total current assets	372,946	261,753	634,699
Noncurrent assets:			
Capital assets:			
Buildings	672,279	-	672,279
Equipment	826,911	78,558	905,469
Vehicles	-	38,789	38,789
Land improvements	18,584	-	18,584
Less accumulated depreciation	(887,372)	(39,381)	(926,753)
Total noncurrent assets	630,402	77,966	708,368
Total assets	1,003,348	339,719	1,343,067
<b>LIABILITIES</b>			
Accounts payable	6,500	-	6,500
Total liabilities	6,500	-	6,500
<b>NET POSITION</b>			
Net investment in capital assets	630,402	77,966	708,368
Unrestricted	366,446	261,753	628,199
<b>Total net position</b>	<b>\$ 996,848</b>	<b>339,719</b>	<b>1,336,567</b>

*See accompanying notes to financial statements.*

**CITY OF AUBURN, MAINE**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**Business-type Activities - Enterprise Funds**  
**For the Year Ended June 30, 2013**

	Ingersoll Ice Arena	Centralized School Lunch	Totals
Operating revenues:			
Charges for services	\$ 436,570	232,445	669,015
Intergovernmental revenue	-	1,159,343	1,159,343
<b>Total operating revenue</b>	<b>436,570</b>	<b>1,391,788</b>	<b>1,828,358</b>
Operating expenses:			
Personnel	133,211	590,445	723,656
Supplies	19,101	684,114	703,215
Utilities	113,188	-	113,188
Repairs and maintenance	24,023	85,725	109,748
Depreciation	99,329	7,026	106,355
Other expenses	9,402	53,998	63,400
<b>Total operating expenses</b>	<b>398,254</b>	<b>1,421,308</b>	<b>1,819,562</b>
Operating income (loss)	38,316	(29,520)	8,796
Nonoperating revenue (expense):			
Interest income	493	264	757
Interest expense	(92,339)	-	(92,339)
<b>Total nonoperating revenue (expense)</b>	<b>(91,846)</b>	<b>264</b>	<b>(91,582)</b>
Loss before transfer	(53,530)	(29,256)	(82,786)
Transfers out	(13,275)	-	(13,275)
Change in net position	(66,805)	(29,256)	(96,061)
Total net position, July 1	1,063,653	368,975	1,432,628
<b>Total net position, June 30</b>	<b>\$ 996,848</b>	<b>339,719</b>	<b>1,336,567</b>

*See accompanying notes to financial statements.*

**CITY OF AUBURN, MAINE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Business-type Activities - Enterprise Funds**  
**For the Year Ended June 30, 2013**

	Ingersoll Ice Arena	Centralized School Lunch	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 491,301	231,386	722,687
Cash received from federal and state grants	-	1,145,196	1,145,196
Cash paid to suppliers for goods and services	(171,073)	(822,602)	(993,675)
Cash paid to employees for services	(133,211)	(590,445)	(723,656)
Net cash provided by (used in) operating activities	187,017	(36,465)	150,552
Cash flows from noncapital financing activities:			
Interfund loans	(81,403)	-	(81,403)
Transfers to other funds	(13,275)	-	(13,275)
Net cash provided by (used in) noncapital financing activities	(94,678)	-	(94,678)
Cash flows from capital and related financing activities:			
Purchase of capital assets	-	(33,515)	(33,515)
Interest paid on general and limited revenue obligation bonds	(92,339)	-	(92,339)
Net cash (used in) capital and related financing activities	(92,339)	(33,515)	(125,854)
Cash flows from investing activities:			
Interest on investments	493	264	757
Net cash provided by investing activities	493	264	757
Net increase (decrease) in cash and cash equivalents	493	(69,716)	(69,223)
Cash and cash equivalents, July 1	248,759	245,137	493,896
<b>Cash and cash equivalents, June 30</b>	<b>\$ 249,252</b>	<b>175,421</b>	<b>424,673</b>
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating income (loss)	38,316	(29,520)	8,796
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	99,329	7,026	106,355
Changes in assets and liabilities:			
Accounts receivable	54,731	(1,059)	53,672
Due from other governments	-	(14,147)	(14,147)
Due from other funds	-	(73)	(73)
Inventory	-	1,511	1,511
Accounts payable	(5,359)	(60)	(5,419)
Due to other funds	-	(143)	(143)
Total adjustments	148,701	(6,945)	141,756
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 187,017</b>	<b>(36,465)</b>	<b>150,552</b>

*See accompanying notes to financial statements.*

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

	<b>Agency Fund</b>	<b>Private- purpose Trust Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 153,958	127,202
Total assets	153,958	127,202
<b>LIABILITIES</b>		
Accounts payable	-	15,992
Amounts held for others	153,958	-
Total liabilities	153,958	15,992
<b>NET POSITION</b>		
Held in trust	\$ -	<b>111,210</b>

*See accompanying notes to financial statements.*

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

	<b>Private- purpose Trust Funds</b>
<hr/>	
Additions:	
Investment income	\$ 498
Total additions	498
<hr/>	
Deductions:	
Current:	
Scholarships	284,118
Total deductions	284,118
<hr/>	
Change in net position	(283,620)
Net position - beginning	394,830
<hr/>	
<b>Net position - ending</b>	<b>\$ 111,210</b>

*See accompanying notes to financial statements.*

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements**  
**June 30, 2013**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Auburn, Maine was incorporated in 1869 under the laws of the State of Maine. The City operates under a Mayor-Council and City Manager form of government and provides the following services: general governmental services, public safety, public works (highways, streets and sidewalks), health and social services, sanitation, culture and recreation, planning and permitting, education and public improvements. The Council is made up of seven members and one mayor elected by registered voters.

The criteria used to determine which accounting entities, agencies, commissions, boards and authorities are part of the City's operations include how the budget is adopted, whether debt is secured by general obligation of the City, the City's duty to cover any deficits that may occur, and supervision over the accounting functions. There are no agencies, organizations or activities meeting any of the above criteria that are excluded from the City reporting entity.

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

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, investment earnings and charges for services are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Community Development Block Grant Special Revenue Fund* accounts for the federal grants obtained and expended under the Housing and Community Development Act of 1974, as amended, for the development of viable urban communities.

The *Tax Increment Financing Special Revenue Fund* accounts for the capturing of new tax revenue and expenditures the City is allowed to allocate to pay for public purpose economic development projects and job creation.

The *Capital Projects Fund* accounts for the financial resources and expenditures related to the City's annual capital improvement program, which includes improvements to School Department buildings and other municipal facilities, general street rehabilitation and the purchase of major capital items.

The government reports the following major enterprise funds:

The *Ingersoll Ice Arena* fund accounts for the activities of the Arena. The Arena operates the ice rink for residents of the City.

The *Centralized School Lunch fund* accounts for the School Department's lunch program, including breakfast and lunch provided for the students of the City's School system.

Additionally, the City reports the following fund types:

*Private-purpose Trust Funds* are used to report the activity for bequests left for charitable payments of scholarship awards. These assets are held by the City in a trustee capacity, whereby the original bequest is preserved as nonexpendable and the accumulated interest earnings are available to provide for educational awards.



**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Agency funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency Funds account for assets held by the City as an agent for individuals, private organizations, other governments and/or funds. The City of Auburn serves as an agent for the various school activity accounts.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's governmental activities and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 City's proprietary fund are charges to users; operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Assets, Liabilities, Deferred Outflows of Resources and Net Position/Fund Balance**

**1. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. City policy is that deposits can only be made in financial institutions insured by the FDIC. The City's investment policy authorizes investments in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, certain corporate bonds, certain certificates of deposit and certain money market funds. The City invests its funds in an effort to ensure preservation of capital, remain sufficiently liquid and attain a reasonable market rate of return, while remaining within the guidelines as provided by the City's Investment Policy.

Investments are reported at fair value.

**2. Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/payables."

Receivables are shown net of allowances for uncollectibles as necessary.

Interest at the rate of 7% per annum was charged on any amounts remaining unpaid after these respective due dates.

Under State law, tax liens are placed on real property if the taxes become delinquent. The lien process may commence after the expiration of eight months and within one year after the date of the tax commitment. The City has the authority to foreclose on real property if the tax lien and associated costs of filing the lien remain unpaid eighteen months after the date of filing.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and during the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred inflows of resources - unavailable revenues.

**3. Inventories and Prepaid Items**

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventories (consisting of food and supplies) include the value of government surplus items donated to the School Lunch Program. The costs of all other governmental fund type inventories are recorded as expenditures when purchased rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. All depreciable capital assets are depreciated using the straight-line method over the estimated useful lives as follows:

Vehicles	3 – 15 years
Equipment	5 – 15 years
Buildings and Building Improvements	10 – 40 years
Improvements other than Buildings	10 years
Infrastructure	10 – 60 years

**5. Deferred Inflows of Resources**

In addition to liabilities, the balance sheet 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(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**6. Compensated Absences**

Under terms of union contracts and personnel administration policies, employees are granted vacation and sick leave in varying amounts and are, in some cases, entitled to payment for unused vacation and sick leave upon termination or retirement. All vacation pay is and vested sick leave is accrued as a liability in the government-wide financial statements.

**7. Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method.

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

**8. Fund Equity**

Governmental Fund fund balances are reported in five classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent. The Finance Director is authorized to classify the fund balances through the Fund Balance Policy adopted by the Auburn City Council on June 20, 2011. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, the City Council by formal action as required by the Fund Balance Policy adopted by City Council on June 11, 2011, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Council has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The City Council has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. Likewise, management or City Council may assign unspent budgeted amounts to specific purposes in the General Fund at year end based on Department requests.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the government's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is the government's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

**9. Use of Estimates**

Preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Budgets are adopted for the General Fund only and are adopted on a basis consistent with generally accepted accounting principles (GAAP) except as noted on Statement 6. All unexpended annual appropriations, other than encumbrances, lapse at the close of the fiscal year.

Each year, all departments of the City submit requests for appropriations to the City's Manager so that a budget may be prepared. On or before April 30, the proposed budget is presented to the City Council for review. The council holds public hearings and a final budget must be prepared and adopted no later than June 30.

The appropriated budget is prepared by department. The department managers may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Manager. The legal level of budgetary control (level at which expenditures may not legally exceed appropriations without seeking approval of the City Council) is the total appropriation resolve level. Supplemental budgetary appropriations must be approved by the City Council. There were no supplemental budgetary appropriations during fiscal year 2013.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, Continued**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**B. Excess of Expenditures over Appropriations**

For the year ended June 30, 2013, expenditures exceeded appropriation in the following general fund categories: Fire, \$144,238; Health & Social Services-Public Assistance, \$50,576; Debt service – principal, \$2,927. In total, the City's expenditures were \$2,151,036 less than total appropriations.

**C. Deficit Fund Equity**

At June 30, 2013, the City had the following funds with deficit fund balances:

211 Fairview	\$ 566,304	Police Vehicles	101,793
City	45,318	EMS Billing	5,116
Great Falls School	273,443	MDOT	417,877
Brownfield Grant	9,105	HEAPP	1,783
Safe School Health	4,976	Underage Drinking	10,076
Bulletproof Vests	3,407	Energov Grant	1,724
Insurance Reimbursement	5,083	Byrne JAG	389
Joint Land Use Grant	59,068	Workers Comp	919,104
Unemployment	14,951		

Revenue to offset the 211 Fairview deficit is expected from a future property sale in fiscal year 2014 – 2017 to Bedard Medical Equipment and Supplies. Future revenues and transfers from the General Fund are expected to fund the remaining deficit fund balances.

**D. Budget Basis of Accounting vs. GAAP Basis of Accounting**

The City's budget is reported on a modified accrual basis except that in the current year, certain workers compensation and unemployment payments were not budgeted, which were included in General Fund reserves.

Additionally, certain on-behalf payments made by the State of Maine to the Maine Public Employees Retirement System (Maine PERS) for teachers and certain other School employees are not budgeted. Such on-behalf payments amounted to \$3,110,952 in 2013.

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

**1. Deposits**

*Custodial Credit Risk:* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2013, the City deposits amounted to \$24,869,973 with bank balances of \$26,396,542. The City does not have a deposit policy for custodial credit risk. None of the City's total bank balance was exposed to custodial credit risk.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

**III. DETAILED NOTES ON ALL FUNDS, Continued**

**2. Investments**

Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and certain corporate stocks and bonds. The City has an Investment Policy, adopted by the City Council in 1995, which further defines the investments in which the City's available funds are permitted to be invested. At June 30, 2013, all the City's investments were in bank money market accounts or certificates of deposits both of which have been included above under the disclosure on deposits.

Deposits and investments have been reported as either cash and cash equivalents or as investments as follows in the financial statements:

Reported in governmental funds	\$ 24,164,140
Reported in proprietary funds	424,673
Reported in fiduciary funds	281,160
<b><u>Total reported</u></b>	<b><u>\$ 24,869,973</u></b>
Disclosed as deposits (above)	\$ 11,657,851
Disclosed as investments (above)	13,212,122
<b><u>Total reported</u></b>	<b><u>\$ 24,869,973</u></b>

**B. Receivables**

Receivables as of June 30, 2013, for the City's individual major funds, non major and business-type enterprise funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Community Dev. Programs</u>	<u>Capital Projects</u>	<u>Enterprise Funds</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 1,901,165	-	-	-	-	1,901,165
Accounts	297,952	-	18,380	31,780	101,587	449,699
Loans	445,007	4,206,027	-	-	1,572,749	6,223,783
<u>Intergovernmental</u>	<u>512,311</u>	<u>339,122</u>	<u>-</u>	<u>39,262</u>	<u>439,536</u>	<u>1,330,231</u>
Gross receivables	3,156,435	4,545,149	18,380	71,042	2,113,872	9,904,878
Less: allowance for uncollectibles	(77,000)	(137,893)	-	-	-	(214,893)
<b><u>Net total receivables</u></b>	<b><u>\$ 3,079,435</u></b>	<b><u>4,407,256</u></b>	<b><u>18,380</u></b>	<b><u>71,042</u></b>	<b><u>2,113,872</u></b>	<b><u>9,689,985</u></b>

Property taxes levied during fiscal year 2013 are recorded as receivables. The receivables collected during the fiscal year ended June 30, 2013 and during the 1<sup>st</sup> 60 days of fiscal year 2014 are recognized as revenues in the Governmental Funds, in fiscal year 2013. Receivables of \$1,832,681, estimated to be collectible subsequent to the 60 day period are considered to be unavailable revenues. Prior year tax levies were recorded using the same principle.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**III. DETAILED NOTES ON ALL FUNDS, Continued**

**C. Property Taxes**

The City's property tax is levied on the assessed value listed as of the prior April 1 for all real and taxable personal property located in the City. Assessed values are periodically established by the Assessor at 100% of the assumed market value. Property taxes were levied August 7, 2012 on the assessed values of real property as of April 1, 2012. Taxes were due September 15, 2012 and March 15, 2013. This assessed value of \$2,010,510,334 was 103% of the 2013 state valuation of \$1,954,400,000.

The City is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$340,225 for the year ended June 30, 2013.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The City has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

Property taxes levied during the year ended were recorded as receivables at the time the levy was made. The receivables collected during the year ended and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as unavailable revenues.

The following summarizes the periods ended June 30, 2013 and 2012 levies:

	<u>2013</u>	<u>2012</u>
Valuation:		
Land	\$ 464,931,020	535,868,278
Buildings	1,355,534,314	1,314,367,400
Personal property	190,045,000	208,348,600
Assessed value (less exempt properties)	2,010,510,334	2,058,584,278
Tax rate (per \$1,000)	19.59	19.39
Commitment	39,385,897	39,915,949
Supplemental taxes assessed	69,660	32,455
	39,455,557	39,948,404
Less:		
Collections and abatements	38,386,284	38,831,952
<b>Receivable at June 30</b>	<b>\$ 1,069,273</b>	<b>1,116,452</b>
Due date(s)	9/15/12 3/15/13	9/15/11 3/15/12
Interest rate charged on delinquent taxes	7.0%	7.0%
Collection rate	97.3%	97.2%

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

**III. DETAILED NOTES ON ALL FUNDS, Continued**

**D. Capital Assets**

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

	Balance June 30, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2013</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 7,489,841	-	-	7,489,841
Construction in progress	4,557,373	2,977,234	2,492,876	5,041,731
Total capital assets, not being depreciated	12,047,214	2,977,234	2,492,876	12,531,572
Capital assets, being depreciated:				
Buildings and building improvements	72,755,978	2,027,941	-	74,783,919
Equipment	4,918,932	419,919	224,060	5,114,791
Vehicles	9,456,882	973,972	573,320	9,857,534
Infrastructure	85,244,725	5,529,721	-	90,774,446
Total capital assets being depreciated	172,376,517	8,951,553	797,380	180,530,690
Less accumulated depreciation for:				
Buildings and building improvements	29,573,831	1,862,520	-	31,436,351
Equipment	3,809,566	304,849	220,779	3,893,636
Vehicles	5,958,112	746,298	547,828	6,156,582
Infrastructure	27,713,053	3,030,046	-	30,743,099
Total accumulated depreciation	67,054,562	5,943,713	768,607	72,229,668
Total capital assets being depreciated, net	105,321,955	3,007,840	28,773	108,301,022
<b>Governmental activities capital assets, net</b>	<b>\$ 117,369,169</b>	<b>5,985,074</b>	<b>2,521,649</b>	<b>120,832,594</b>

	Balance June 30, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2013</u>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 18,584	-	-	18,584
Buildings and building improvements	672,279	-	-	672,279
Equipment	871,954	33,515	-	905,469
Vehicles	38,789	-	-	38,789
Total capital assets being depreciated	1,601,606	33,515	-	1,635,121
Less accumulated depreciation for:				
Improvements other than buildings	18,584	-	-	18,584
Buildings and building improvements	408,993	22,409	-	431,402
Equipment	366,567	79,988	-	446,555
Vehicles	26,254	3,958	-	30,212
Total accumulated depreciation	820,398	106,355	-	926,753
Total capital assets being depreciated, net	781,208	(72,840)	-	708,368
<b>Business-type activities capital assets, net</b>	<b>\$ 781,208</b>	<b>(72,840)</b>	<b>-</b>	<b>708,368</b>



**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**III. DETAILED NOTES ON ALL FUNDS, Continued**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 530,303
Public safety	405,174
Public works, including depreciation of general infrastructure assets	3,258,259
Health, welfare and recreation	243,693
Education	1,506,284

**Total depreciation expense – governmental activities      \$ 5,943,713**

Business-type activities:	
Ingersoll Ice Arena	\$ 99,329
Centralized School Lunch	7,026

**Total depreciation expense – business-type activities      \$ 106,355**

**E. Tax Increment Financing Districts**

The City currently has seventeen tax increment financing (TIF) districts, twelve of which were active during the year ended June 30, 2013. Two of the seventeen districts never became active, and three have expired, leaving twelve active TIF districts (numbers 4 – 17 below, less #7, #11 & #15, which is combined with #14). The objective of these TIF districts is to stimulate new investment in the community by financing, through various tax increment financing projects, various public improvements. Taxes derived from increased assessed valuation within the districts can be "captured" for approved uses. The City of Auburn accounts for all activity of the TIF districts, including captured taxes and expenditures for approved purposes, in a Special Revenue Fund. Expenditures in any given year may exceed captured values in that year as a result of balances available in TIF accounts from prior periods.

The following is a brief description of each:

*#4 TAMBRANDS* - This TIF was established in 1998 and encompasses 40 acres, all the value of which is represented by personal property. The original value was \$1,702,000. 100% of the tax revenue associated with increased value within the TIF is captured, 35% of which is used to fulfill the obligations under a credit enhancement agreement. During 2013, \$472,097 was captured and \$465,679 was expended.

*#5 J Enterprises* - This TIF was established in 1998 and encompasses 5.9 acres. The original value was \$164,500. 100% of the tax revenue associated with increased value within the TIF can be captured, 25% of which is used to fulfill the obligations under a credit enhancement agreement, with the balance restricted for public improvements. During 2013, \$10,920 was captured and \$11,568 was expended.

*#6 TAMBRANDS II* - This TIF was established in 2001 and encompasses 84 acres. The original value was \$520,900. 100% of the tax revenue associated with increased value within the TIF is captured, 40% of which is used to fulfill the obligations under a credit enhancement agreement. During 2013, \$14,714 was captured and \$338,726 was expended.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**III. DETAILED NOTES ON ALL FUNDS, Continued**

*#8 Gates Form Fiber* - This TIF was established in 2001 and encompasses 54 acres. The original value was \$366,000. 100% of the tax revenue associated with increased value within the TIF can be captured, 40% of which is used to fulfill the obligations under a credit enhancement agreement. During 2013, \$29,742 was captured and \$29,338 was expended.

*#9 Mall Area* - This TIF was established in 2002 and amended in both 2006 and 2007. The TIF as amended encompasses 57.74 acres. The amended base value is \$5,956,300. 100% of the tax revenue associated with increased value within the TIF is captured and used for public improvements. During 2013, \$402,834 was captured and \$0 was expended.

*#10 The Downtown Area* - This TIF was established in 2002, and encompasses 119.31 acres. The original value was \$52,364,600. 100% of the tax revenue associated with increased value within the TIF can be captured. During 2013, \$691,682 was captured and \$521,083 was expended.

*#12 Auburn Industrial Park* - This TIF was established in 2006 and encompasses 144 acres. The original value was \$334,200. 100% of the tax revenue associated with the increased value within the TIF is captured and will be dedicated to public improvements. During 2013, \$130,901 was captured and \$174,863 was expended.

*#13 Retail Development* - This TIF was established in 2007 and encompasses 29.67 acres. The original value was \$5,425,400. 100% of the tax revenue associated with the increased value within the TIF can be captured with a sliding scale of 30% to 40% to be used to fulfill obligations under a credit enhancement agreement that has established benchmarks triggering payments for growth in value and the balance restricted for public infrastructure improvements. During 2013, \$294,649 was captured and \$122,070 was expended.

*#14 Auburn Mall* - This TIF was established in 2005 and encompasses 47.44 acres. The original value was \$14,872,100. 100% of the tax revenue associated with increased value within the TIF can be captured, 47% of which is used to fulfill the obligations under a credit enhancement agreement. During 2013, \$488,233 was captured and \$700,421 was expended.

*#16 Webster School Housing* - This TIF was established in 2010 and encompasses 1.4 acres. The original value was \$522,800. 100% of the tax revenue associated with increased value within the TIF can be captured, 60% of which is used to fulfill the obligations under a credit enhancement agreement. During 2013, \$26,533 was captured and \$26,173 was expended.

*#17 Bedard Medical* - This TIF was established in 2011 and encompasses 3.8 acres. The original value was \$468,800. 100% of the tax revenue associated with increased value within the TIF can be captured, 40% of which is used to fulfill the obligations under a credit enhancement agreement. During 2013, \$28,642 was captured and \$28,253 was expended.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

**III. DETAILED NOTES ON ALL FUNDS, Continued**

**F. Interfund Receivables and Payables and Transfers**

The composition of interfund balances as of June 30, 2013 is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,602,354	-	337,487	2,669,265
Community Dev. Block Grant	159,197	-	-	-
Capital Projects	-	2,431,020	78,318	-
Tax Incrementing Financing	461,188	-	2,266,735	-
Other Governmental Funds	809,304	705,965	-	-
Enterprise Fund:				
Ingersoll Ice Arena	104,869	-	-	13,275
Centralized School Lunch	73	-	-	-
<b>Totals</b>	<b><u>\$3,136,985</u></b>	<b><u>3,136,985</u></b>	<b><u>2,682,540</u></b>	<b><u>2,682,540</u></b>

Interfund receivables and payables represent outstanding balances between funds that result from timing differences between when transactions are recorded in the accounting system, and when payments between funds are settled.

Transfers are used to move revenues from the general fund to finance various other fund's programs or activities in accordance with budgetary authorizations.

**G. Construction Contracts and Other Commitments**

The following is a list of the City's open contracts as of June 30, 2013:

	<u>Funding Source</u>	<u>Total Contract</u>	<u>Balance as of June 30, 2013</u>
2012 Paving	Capital Projects Fund	\$ 1,622,500	6,303
2013 Neighborhood Reconstruction	Capital Projects Fund	878,889	327,380
2013 Paving	Capital Projects Fund	1,7695,514	273,618

As discussed in note II.A, Budgetary information, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	\$ 305,882
Special revenue funds	1,205,772
<u>Enterprise funds</u>	<u>122,050</u>
<b><u>Total</u></b>	<b><u>\$ 1,633,704</u></b>

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

**III. DETAILED NOTES ON ALL FUNDS, Continued**

**H. Long-term Debt**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. On July 13, 2012, General Obligation Qualified Zone Academy Bonds totaling \$1,057,323 were issued and dedicated to School building improvements. On September 27, 2012, General Obligation Bonds totaling \$13,835,000 were issued and dedicated to refunding existing debt and the capital improvement program for the City and School Department.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as ten year serial bonds with equal amounts of principal maturing each year. Additionally, Androscoggin County, who's bonded debt would be considered overlapping with the City of Auburn, had no outstanding debt at June 30, 2013. General obligation bonds and notes payable currently outstanding are as follows:

	<u>Issued</u>	<u>Original</u>	<u>Matures</u>	<u>Interest rate</u>	<u>Outstanding balance</u>
Bonds:					
School Construction Bonds	10/31/96	\$ 8,400,000	11/01/16	5.183%-5.733%	1,680,000
General Obligation Bonds	04/30/02	6,000,000	11/01/22	3.05%-5.25%	3,000,000
General Obligation Bonds	10/31/02	8,200,000	11/01/22	2.031%-5.031%	4,100,000
General Obligation Bonds	10/30/03	2,770,000	11/01/13	2.007%-3.607%	277,000
General Obligation Bonds	09/01/03	3,315,000	08/01/27	5.125%-6.875%	170,000
MMWAC Bonding	09/11/04	11,950,000	11/01/14	4.00%	590,000
General Obligation Bonds	09/15/04	8,180,000	09/01/24	4.00%-4.25%	1,455,000
General Obligation Bonds	10/18/05	15,281,000	09/01/25	4.00%-4.50%	3,560,000
General Obligation Bonds	11/01/06	13,000,000	09/01/16	4.00%-4.25%	8,040,000
General Obligation Bonds	12/01/07	6,000,000	09/01/17	3.47%	3,000,000
General Obligation Bonds	10/15/08	6,430,000	09/01/18	3.65%	3,850,000
QZAB	12/11/10	1,000,000	12/11/19	0.40%	700,000
General Obligation Bonds	10/15/09	5,500,000	09/01/19	3.00%	3,850,000
General Obligation Bonds	11/01/10	7,900,000	09/01/20	2.00%-2.50%	6,320,000
General Obligation Bonds	11/01/11	4,500,000	09/01/21	2.00%-2.75%	4,050,000
QZAB	07/13/12	1,057,323	07/13/22	4.40%	1,057,323
General Obligation Bonds	09/27/12	13,835,000	09/01/27	2.00%-4.50%	13,835,000
<b>Bonds payable</b>					<b>59,534,323</b>
Notes:					
School Revolving Loan	08/11/05	704,970	08/11/15	0.00%	148,866
School Revolving Loan	12/29/10	444,565	07/01/20	0.00%	355,652
<b>Notes payable</b>					<b>504,518</b>
<b>Total bonds and notes payable</b>					<b>\$ 60,038,841</b>

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

**III. DETAILED NOTES ON ALL FUNDS, Continued**

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending June 30,</u>	<u>Bonds Payable</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 8,332,732	1,969,089	94,079	-
2015	7,890,732	1,620,799	94,079	-
2016	7,245,732	1,375,420	94,079	-
2017	6,780,733	1,133,052	44,456	-
2018	5,905,733	929,841	44,456	-
2019-2023	19,523,661	2,199,540	133,369	-
2024-2028	3,855,000	238,860	-	-
<b>Total</b>	<b>\$ 59,534,323</b>	<b>9,466,601</b>	<b>504,518</b>	<b>-</b>

For the year ended June 30, 2013, interest expense of the General Fund was \$1,045,204.

The City is subject to a statutory limitation by the State of Maine of its general long-term debt equal to 15% of the State's valuation of the City. At June 30, 2013, the statutory limit for the City was \$297,037,500. The City's outstanding long-term debt of \$60,038,841 at June 30, 2013 was \$236,998,659 less than the statutory limit.

Advance Refunding

The City issued \$13,835,000 in General Obligation Bonds with interest rates ranging from 2.0% to 4.5%. Some of the proceeds were used to advance refund \$8,685,000 of outstanding 2003, 2004 and 2005 general obligation and 2004 general obligation refunding bonds which had interest rates ranging from 4.0% to 5.84%. The net proceeds of \$9,576,955 (including a \$1,052,751 premium and after payment of \$160,796 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2003, 2004 and 2005 general obligation and 2004 general obligation refunding bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The government advance refunded the 2003, 2004 and 2005 general obligation and 2004 general obligation refunding bonds to reduce its total debt service payments over 15 years by \$675,373 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$596,482.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

**III. DETAILED NOTES ON ALL FUNDS, Continued**

*Changes in General Long-term Liabilities.* Long-term liability activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable					
General obligation bonds	\$ 61,239,000	6,207,323	7,912,000	59,534,323	8,332,732
Premium	-	1,052,751	-	1,052,751	70,183
Total bonds payable	61,239,000	7,260,074	7,912,000	60,587,074	8,402,915
Notes payable	598,596	-	94,078	504,518	94,079
Accrued compensated absences	2,176,657	162,933	56,005	2,283,585	56,005
Other post employment benefits	728,303	308,131	100,427	936,007	-
Accrued self-insurance liability	805,204	-	32,819	772,385	-
Net pension obligation:					
City pension plan	785,126	106,240	155,683	735,683	-
Landfill postclosure care costs	585,850	-	60,235	525,615	60,235
Accrued interest on debt	648,970	13,955	-	662,925	662,925
<b>Governmental activity long-term liabilities</b>	<b>\$ 67,567,706</b>	<b>7,851,333</b>	<b>8,411,247</b>	<b>67,007,792</b>	<b>9,276,159</b>

General Fund and Special Revenue accounts have been used to liquidate the liability for compensated absences, landfill postclosure cost, net pension obligation and other post employment benefits.

**I. Fund Balances**

As of June 30, 2013, fund balances components consisted of the following:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Nonspendable:</b>			
Prepaid items	\$ 75	1,785	1,860
Long-term receivables	-	5,640,883	5,640,883
Principal for permanent funds	-	69,475	69,475
<b>Total nonspendable</b>	<b>75</b>	<b>5,712,143</b>	<b>5,712,218</b>
<b>Restricted:</b>			
City services	-	850,519	850,519
Education	2,449,945	660,200	3,110,145
Community Development Programs	-	428,273	428,273
Tax Increment Financing	-	1,578,713	1,578,713
Permanent funds	-	193,034	193,034
<b>Total restricted</b>	<b>2,449,945</b>	<b>3,710,739</b>	<b>6,160,684</b>
<b>Committed:</b>			
Parking services	-	79,060	79,060
Parks and recreation	-	258,825	258,825
Capital projects	-	7,647,600	7,647,600
<b>Total committed</b>	<b>-</b>	<b>7,985,485</b>	<b>7,985,485</b>

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**III. DETAILED NOTES ON ALL FUNDS, Continued**

	Other General <u>Fund</u>	Governmental <u>Funds</u>	<u>Total</u>
Assigned:			
Reserves	\$ 76,305	-	76,305
Self Insurance	772,385	-	772,385
Encumbrances	305,882	-	305,882
<u>Total assigned</u>	<u>1,154,572</u>	<u>-</u>	<u>1,154,572</u>
Unassigned	8,775,150	(1,125,143)	7,650,007
<b><u>Total fund balance</u></b>	<b><u>\$ 12,379,742</u></b>	<b><u>16,283,224</u></b>	<b><u>28,662,966</u></b>

**J. Landfill Postclosure Care Costs**

State and federal laws require that the City place a final cover on its landfills when waste is no longer accepted and perform certain maintenance and monitoring functions at the sites for thirty years after closure. In addition to operating expenditures related to current activities of the landfill, a liability for the postclosure care costs are recorded in the governmental activities on the statement of net assets (Statement 1).

The \$525,615 reported as landfill postclosure care liability at June 30, 2013, represents the estimated liability for postclosure care costs at that date. The cost is comprised of \$113,325 for post closure care costs (13 years) for a brush landfill that stopped accepting debris during fiscal year 1996. The additional cost of \$412,290 represents the estimated future postclosure care cost (8 years) of a previously closed ash landfill.

The estimated total current cost of landfill postclosure care of \$525,615 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2013. Actual cost may be higher due to inflation, changes in technology, and changes in laws or regulations, or may be reduced if another governmental agency reimburses the City for a portion of the cost.

**K. Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of bonds and notes payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net investment in capital assets was calculated as follows at June 30, 2013:

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**III. DETAILED NOTES ON ALL FUNDS, Continued**

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 193,062,262	\$ 1,635,121
Accumulated depreciation	(72,229,668)	(926,753)
Bonds payable	(59,534,323)	-
Notes payable	(504,518)	-
Non capital related bonds payable	760,000	-
Unspent bond proceeds	161,112	-
Unamortized debt premium	(1,052,751)	-
Non capital related		
Unamortized debt premium	880,400	-
<b>Total Net Investment in</b>		
<b>    Capital Assets</b>	<b>\$ 61,542,514</b>	<b>\$ 708,368</b>

**L. Presentation of Net Position/Fund Balance**

During the year, management determined that School Lunch, previously presented as a non-major Special Revenue Fund, should be presented as a major Enterprise Fund. We have changed the current year presentation to reflect this change, including the change from modified accrual to full accrual. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**IV. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the City is insured through the Maine Municipal Association Risk Pool, a state-chartered risk pool established exclusively for Maine municipalities. If the assets of the Pool are at any time actuarially determined to be insufficient to enable the Pool to discharge its legal liabilities and other obligations and to maintain actuarially sound reserves, the Pool has the power to make up the deficiency by the levy of a pro-rated assessment upon Pool Members for the amount needed to make up the deficiency. Management believes that no such deficiency exists at June 30, 2013.

The City established a self-insured worker's compensation program in May 1982. This program provides coverage for up to a maximum of \$500,000 for each worker's compensation claim. This amount totaled \$772,385 at June 30, 2013.



**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**IV. OTHER INFORMATION, Continued**

The City purchases commercial insurance for claims in excess of coverage provided by the self-insurance program and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. All departments of the City participate in the program and the General Fund budget is based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for estimated future payment of incurred losses. The total liability of \$772,385 reported in the Statement of Net Position is based on the requirements of the Governmental Accounting Standards Board, 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 statement and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. A discount rate of 4.5% has been used in calculating the liability.

The following summarizes the claims activity with respect to the City's self-insured workers' compensation program.

	Fiscal Year <u>2013</u>	Fiscal Year <u>2012</u>
Unpaid claims as of July 1	\$ 805,204	882,721
Incurred claims (including claims incurred but not reported as of June 30)	294,586	259,653
<u>Total claim payments</u>	<u>327,405</u>	<u>337,167</u>
Current claims liability	17,270	17,196
<u>Long-term claims liability</u>	<u>755,115</u>	<u>788,008</u>
<b><u>Total unpaid claims liability</u></b>	<b><u>\$ 772,385</u></b>	<b><u>805,204</u></b>

The City assigns a portion of its General Fund fund balance for both workers compensation and a reserve for unemployment. This amounted totaled \$772,385 at June 30, 2013.

**B. Joint Ventures**

The City of Auburn has entered into several ventures with other entities. The following joint ventures result from a contractual arrangement (interlocal agreement) in which the City retains an ongoing financial responsibility. The following joint ventures' existence depends on continued funding by the governments:

- Auburn-Lewiston Municipal Airport
- Lewiston-Auburn Economic Growth Council
- Lewiston-Auburn Transit Committee
- Lewiston-Auburn 9-1-1 Committee

The interlocal agreements for these four joint ventures do not stipulate that the participants have a present or future claim to the net resources of the organization, except upon dissolution.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**IV. OTHER INFORMATION, Continued**

Therefore, no equity interest has been reported in the financial statements for these joint ventures.

Mid Maine Waste Action Corporation is a joint venture that provides for waste disposal for the City and eleven other participating governments. The City is responsible for disposing of its municipal solid waste at the facility and therefore has an ongoing financial responsibility to it.

Additionally, as described in the interlocal agreement, the City is responsible for funding certain deficits the organization may incur.

Information pertaining to each of these five joint ventures follows:

**Auburn-Lewiston Municipal Airport**

The Auburn-Lewiston Municipal Airport is operated jointly by the Cities of Auburn and Lewiston by a seven-member board currently comprised of three members from the City of Auburn and three members from the City of Lewiston appointed by the respective City Councils, and one member from Auburn Chamber of Commerce. The Airport's governing board selects management staff, sets user charges, establishes budgets, and controls all aspects of its operations. The City of Auburn is responsible, through the budget process, to fund 50% of the annual anticipated operating and capital needs of the airport. In the fiscal year ended June 30, 2013, the City of Auburn contributed \$106,750 for airport operations.

The following is selected information for the years ending June 30, 2013 and June 30, 2012:

	June 30, <u>2013</u>	June 30, <u>2012</u>
Total Assets	\$ 9,081,302	\$ 9,391,878
Total Liabilities	61,538	98,134
Net Position	9,019,764	9,293,744
Change in Net Position	(273,980)	116,698

In addition to contributions from the two municipalities, the Airport derives revenues through user fees, interest on investments in time deposits and from federal and state grants. For the year ended June 30, 2013, the Airport had total revenues of \$1,313,332 and expenditures of \$1,587,312, including depreciation of \$531,389.

The separate audited financial statements of the Auburn-Lewiston Municipal Airport may be obtained from the City's Finance Department.

**Lewiston-Auburn Economic Growth Council**

The Lewiston-Auburn Economic Growth Council (LAEGC) is a nonprofit corporation formed to stimulate industrial and commercial development and expansion in the cities of Auburn and Lewiston. Auburn participates equally in this joint venture with the City of Lewiston, the Lewiston Development Corporation, and the Auburn Business Development Corporation.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**IV. OTHER INFORMATION, Continued**

The Growth Council is administered by a twelve-member board comprised of three members from each participant. The six members who represent the Cities of Auburn and Lewiston are appointed by the Mayors of those cities. The other board members are appointed by their respective corporations.

The Growth Council's governing board selects management staff, establishes budgets and controls all aspects of its operations. The City of Auburn is responsible through the budget process, to fund 25% of the annual anticipated operating needs of the Council.

In the fiscal year ended June 30, 2013, the City of Auburn contributed \$160,687 to the Growth Council.

The following is selected information for the years ending June 30, 2012 and June 30, 2011 (the latest information available):

	June 30, <u>2012</u>	June 30, <u>2011</u>
Total Assets	\$ 2,354,608	\$ 2,367,690
Total Liabilities	1,866,872	1,836,099
Net Assets	487,736	531,591
Change in Net Assets	(43,855)	(36,696)

The Council derives the bulk of its revenues from the participants, but also receives some funds from federal and state grants. During the year ended June 30, 2012, revenues totaled \$581,775 while total expenditures amounted to \$625,630.

The separate audited financial statements of the Lewiston-Auburn Economic Growth Council may be obtained from the City's Finance Department.

**Lewiston-Auburn Transit Committee**

The Lewiston-Auburn Transit Committee is a joint venture of the Cities of Lewiston and Auburn. The Committee was formed for the purpose of planning and implementing short-term and long-term bus transit development, and to apply for and administer federal and state capital acquisition and operating assistance grants for mass transit benefiting the Lewiston-Auburn area. The committee is made up of six members, three each from the Cities of Auburn and Lewiston, appointed by their respective City Councils. The Committee's governing board selects management staff, sets user charges, establishes budgets and controls all aspects of its operations.

For the fiscal year ended June 30, 2013, the City of Auburn contributed \$235,496 for operating expenses.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**IV. OTHER INFORMATION, Continued**

The following is selected information for the years ending September 30, 2012 and September 30, 2011 (the latest information available):

	September 30, <u>2012</u>	September 30, <u>2011</u>
Total Assets	\$ 2,314,385	\$ 2,788,796
Total Liabilities	645,720	726,663
Net Assets	1,668,665	2,062,133
Change in Net Assets	(393,468)	815,868

Total revenues for the year ended September 30, 2012 were \$1,537,478; expenditures were \$1,930,946, including depreciation on contributed assets of \$283,684 and loss on sale of assets of \$187,337.

The separate audited financial statements of the Lewiston-Auburn Transit Committee may be obtained from the City's Finance Department.

**Lewiston-Auburn 9-1-1 Committee**

The Lewiston-Auburn 9-1-1 Committee is a joint venture of the Cities of Auburn and Lewiston. Incorporated on January 26, 1978, the committee provides an emergency communication system for the Auburn-Lewiston area. The Committee is made up of seven members, the police and fire chiefs and one councilor from each city and a citizen-at-large from either city elected by those six members. The at-large member serves as Committee Chairman.

The committee's primary source of revenues consists of equal contributions from the Cities of Auburn and Lewiston. In the fiscal year ended June 30, 2013, the City of Auburn contributed \$1,034,595.

The following is selected financial information for the years ending June 30, 2013 and June 30, 2012 (the latest information available):

	June 30, <u>2013</u>	June 30, <u>2012</u>
Total Assets and Other Debits	\$ 670,683	\$ 675,116
Total Liabilities and Other Credits	315,119	411,602
Net Position and Other Credits	355,564	263,514
Change in Net Position and Other Credits	(92,050)	(190,154)

Total revenues for the year ended June 30, 2013, were \$2,172,664; expenditures were \$2,080,614. The separate audited financial statements of the Lewiston-Auburn 9-1-1 Committee may be obtained from the City's Finance Department.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**IV. OTHER INFORMATION, Continued**

**Mid-Maine Waste Action Corporation**

Mid-Maine Waste Action Corporation (MMWAC) is a joint venture of the City of Auburn and eleven other Maine municipalities. The Corporation was formed in March 1986 for the purpose of razing the old Auburn Energy Recovery Facility and constructing a regional waste to energy facility. MMWAC is governed by the provisions of its Articles of Incorporation and Bylaws, and by the interlocal agreement between MMWAC and each of the participating municipalities. Each of the participating municipalities has also entered into a Waste Handling Agreement with MMWAC pursuant to which the municipality is obligated to send all of its waste to MMWAC for the term of the agreement. The Corporation is administered by a twelve-member board comprised of one member from each participating municipality. Each member is entitled to one vote for all corporate business except for bonding which matures more than three years from the date of issuance and for adoption of the annual budget in which case votes are weighted by community population and requires an 85% majority for passage. The City of Auburn accounts for approximately 70% of the population of the twelve municipalities participating in MMWAC.

The following is selected financial information for MMWAC for the years ending June 30, 2012 and June 30, 2011 (the latest information available):

	<u>2012</u>	<u>2011</u>
Total Assets	\$ 18,373,730	\$ 19,360,093
Total Liabilities	361,455	305,993
Members' Equity	18,012,275	19,054,100
Operating Revenue	6,247,540	6,230,112
Operating Expenses	5,690,568	5,643,860
Depreciation and Amortization	1,665,764	1,634,383
Non Operating Revenue	66,967	87,089
Net Income before Depreciation and Amortization	556,972	586,252
Net Change in Members Equity	(1,041,825)	(961,042)

The Waste Handling Agreement obligates each member municipality to pay its "proportionate share" of all liabilities and expenses of MMWAC to the extent MMWAC does not have sufficient funds therefore. In September 1994 a consensus of the member communities concluded that the most cost effective method of funding MMWAC's obligations was for each of the member communities to issue general obligation debt to fund the communities' share of certain of MMWAC's obligations. Accordingly such debt was issued and the proceeds contributed to MMWAC to liquidate these obligations.

The separate audited financial statements of the MMWAC may be obtained from the City's Finance Department.

**C. Subsequent Events**

On November 21, 2013, the City of Auburn issued \$5,625,000 of non-taxable General Obligation Bonds for the Fiscal Year 2014 Capital Improvements. The interest rate on the bonds range from 2.00 – 3.00 percent and the maturity date is September 1, 2023.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**IV. OTHER INFORMATION, Continued**

**D. Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all full-time municipal employees, permits them to defer a portion of their salary until future years. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The deferred compensation is not available to employees until termination of employment, unforeseeable emergency or retirement. In the event of an employee's death, the beneficiary is eligible to receive the full value of the account, including earnings.

**E. Employee Retirement Systems and Plans**

**Defined Benefit Pension Plan**

*Plan Description.* The City of Auburn contributes to the Consolidated Plan for Participating Local Districts (CPPLD) a cost-sharing multiple-employer defined benefit pension plan administered by the Maine Public Employees Retirement System (Maine PERS). Maine PERS is established and administered under the Maine PERS Laws, Title 5 M.R.S.A., C. 421, 423, 425. CPPLD provides retirement and disability benefits, annual cost-of living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State legislature. Maine PERS issues a publicly available financial report that includes financial statements and required supplementary information for the CPPLD. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

*Funding Policy.* Plan members are required to contribute 6.5% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The rate for the year ended June 30, 2013, is 5.3% of covered payroll for the regular plan and 7.5% of covered payroll for the special plan which covers police and fire employees. The contribution requirements of the plan members and the City are established by and may be amended by the Maine Public Employees Retirement System Board of Trustees. The City's contribution to the CPPLD for the years ending June 30, 2013, 2012, and 2011, \$622,065, \$485,427, and \$381,305, respectively, equal to the required contribution for each year.

*Unfunded Actuarial Accrued Liability.* Effective July 1, 1994, the City joined the CPPLD of the Maine Public Employees Retirement System (Maine PERS). Upon entry, the City ceased to be an individual sponsor of PLD #27 and instead became a participant in CPPLD. As a participant of the plan, the City was required to fund its remaining Initial Unfunded Unpooled Actuarial Liability (IUUAL) over a period of 15 years. At June 30, 2003, the remaining balance was \$1,088,521. In September 2003, the City issued taxable general obligation bonds for the purpose of extinguishing its IUUAL obligation and delivered to Maine PERS full payment for its obligation at that date. Subsequent to the delivery of bond proceeds, all investments became the responsibility of Maine PERS and any future investment gains and losses experienced by Maine PERS do not result in any additional payment by the City in regard to its extinguished IUUAL obligation.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**IV. OTHER INFORMATION, Continued**

*School Employees' Retirement Plan.* Teachers and certain other School Department employees also participate in Maine PERS through the Teachers Retirement Plan, an agent, multiple employer, defined benefit pension plan. School employees participating in the Age 60 Plan are eligible for normal retirement upon attaining age 60 provided they have 25 years of creditable service. Employees are penalized 2.25% for each year of early retirement. School employees participating in the Age 62 Plan are eligible for normal retirement upon attaining age 62 provided they have 25 years of creditable service. Employees are penalized 6.0% for each year of early retirement. The authority to establish and amend benefit provisions rests with the State legislature. Maine PERS issues a publicly available financial report that includes financial statements and required supplementary information for the Teachers Retirement Plan. That report may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046.

Employees are required by State statute to contribute 7.65% of their compensation to the retirement system. The City is not required to make contributions to this plan. As required by State statute, contributions are made on behalf of the City for the teachers by a Biennial State appropriation.

Beginning on July 1, 2013, as a result of the State of Maine Biennial budget, the City of Auburn Department of Education will be responsible for approximately half the normal cost of the teacher's plan. This is approximately 2.65% of earned compensation.

Contributions paid by the State to the plan for the years ending June 30, 2013, 2012, and 2011 were \$3,110,952, \$2,992,015, and \$3,306,967, respectively, equal to the required contribution for each year. The current year amount has been recognized as a revenue and expenditure/expense during the period.

**Defined Contribution Pension Plan**

The City contributes to the International City Manager's Money Purchase Plan, which is a defined contribution pension plan administered by the International City Manager's Association Retirement Corporation.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account. As established by council resolve, all municipal employees of the City have the option of participating in the plan or the Maine Public Employees Retirement System.

Contributions made by both the employee and the employer vest immediately. An employee who leaves the employment of the City is entitled to all contributions and earned income in his account at that time. Each employee must contribute a minimum of 5% of his or her gross earnings to the pension plan, while the City is required to contribute an amount equal to 6% of the employee's gross earnings.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**IV. OTHER INFORMATION, Continued**

During the year, the City's required and actual contributions amounted to \$152,910, which was 5.2% of its current-year covered payroll. The covered payroll amounted to \$2,929,812. Employees' required contributions amounted to \$127,426, which was 4.3% of the City's current year covered payroll.

No pension provision changes occurred during the year that affected the required contributions to be made by the City or its employees.

The I.C.M.A. Money Purchase Plan held no securities of the City or other related parties during the year or as of the close of the year.

**City Pension Plan**

*Plan Description.* The City Pension Plan is a contributory single employer defined benefit pension plan, and covers certain police and fire employees who joined prior to the City's participation in the Maine PERS. Once the City elected to participate in the Maine PERS, employees were no longer eligible to join this plan.

A pensioner's benefit is adjusted annually based on the current compensation level of the position from which the pensioner retired.

At June 30, 2013, the plan consisted of 14 retirees and beneficiaries. The last active employee retired on March 31, 1992.

*Funding Policy.* No funds have been accumulated, nor are any funds expected to be accumulated for the payment of these benefits. All benefits are paid directly by the City as they come due.

*Annual Pension Cost and Net Pension Obligation.* The City's annual pension cost and net pension obligation for the year ended June 30, 2013, were as follows:

Annual required contribution	\$ 289,758
Interest on net pension obligation	35,331
<u>Adjustment to annual required contribution</u>	<u>(218,849)</u>
Annual pension cost	106,240
<u>Contributions made</u>	<u>(155,683)</u>
Increase (decrease) in net pension obligation	(49,443)
<u>Net pension obligation beginning of year</u>	<u>785,126</u>
<u><b>Net pension obligation end of year</b></u>	<u><b>\$ 735,683</b></u>

The annual required contribution for the current year was determined as part of the July 1, 2013 actuarial valuation using the Projected Unit Credit Actuarial Cost Method. The actuarial assumptions included (a) 5.00% investment rate of return including 3.00% inflation and (b) 3.0% future benefit increases. The unfunded actuarial accrued liability is being recognized as a level dollar amount on a closed basis. The remaining amortization period at June 30, 2013 was 3 years.



**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**IV. OTHER INFORMATION, Continued**

The following provides three-year trend information, a schedule of employee contributions and a schedule of funding programs for the City's pension plan.

**Three-Year Trend Information**

Fiscal Year Ending <u>June 30,</u>	Annual Pension <u>Cost</u>	% of Annual Pension Cost <u>Contributed</u>	Net Pension <u>Obligation</u>
2011	\$ 105,288	169%	861,133
2012	91,702	183%	785,126
2013	106,240	147%	735,683

**Schedule of Employer Contributions**

<u>Fiscal Year End</u>	Actuarial Required Contribution <u>(ARC)</u>	Percentage of ARC <u>Contributed</u>
6/30/2003	\$185,959	114%
6/30/2004	195,334	115%
6/30/2005	196,372	110%
6/30/2006	196,129	113%
6/30/2007	205,136	107%
6/30/2008	212,154	87%
6/30/2009	191,601	98%
6/30/2010	206,838	93%
6/30/2011	239,226	75%
6/30/2012	244,464	69%
6/30/2013	289,758	54%

*Funded status and funding progress.* As of July 1, 2013, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 832,900
<u>Actuarial value of plan assets</u>	<u>-</u>
<u>Unfunded actuarial accrued liability (UAAL)</u>	<u>\$ 832,900</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ -
UAAL as a percentage of covered payroll	0%

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**IV. OTHER INFORMATION, Continued**

*Actuarial methods and assumptions.* The ARC for the plan was determined as part of the July 1, 2013 actuarial valuation using the following methods and assumptions:

Investment return	5.00%
Retirement Age	All members are currently receiving benefits
Mortality	RP2000 Mortality Tables for Male and Female Retirees static projected for ten years and fully Projected thereafter
Disabled Mortality	None
Marriage Assumptions	None
Cost of living adjustments	3.00%

**Other Post Employment Benefits**

The Governmental Accounting Standards Board (GASB) recently promulgated its Statement 45 which addressed the reporting and disclosure requirements for other post employment benefits (OPEB). GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was implemented, as required, by the City of Auburn for the year ended June 30, 2009. Under this pronouncement, it requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The City is a member of the Maine Municipal Employees Health Trust. The Trust is a multiple employer Voluntary Employee's Beneficiary Association. The City is an individually rated member within the Association. The Trust issues a publicly available financial report. That report may be obtained by writing to the Maine Municipal Association at 60 Community Drive, Augusta, ME 04332. The Health Trust contracted with an outside consultant to assist in the determination and valuation of the City's OPEB liability under GASB Statement 45. An OPEB liability actuarial valuation was completed by the consultants in October 2013.

**Plan Descriptions** – In addition to providing pension benefits, the City provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirements as MainePERS. Eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage.

**Funding Policy and Annual OPEB Cost** – GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The City currently plans to fund these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits. The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years.

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

**IV. OTHER INFORMATION, Continued**

The following table represents the OPEB costs for the FY 2013, 2012, 2011, 2010, and 2009 and the annual required contribution:

	FY 2013	FY 2012	FY2011	FY2010	FY2009
Normal Cost	\$ 77,550	56,128	56,128	38,217	38,217
Amortization of Unfunded	196,031	217,081	217,081	163,649	163,649
Interest	34,550	25,991	17,281	10,035	3,997
Adjustment to ARC	(42,118)	(29,754)	(17,161)	(8,729)	-
Annual Required Contribution	266,013	269,446	273,329	203,172	205,863
Contributions Made	(58,309)	(55,650)	(55,571)	(57,360)	(54,926)
Increase in Net OPEB	207,704	213,796	217,758	145,812	150,937
Net OPEB Obligation – beginning of year	728,303	514,507	296,749	150,937	-
<b>Net OPEB Obligation - end of year</b>	<b>\$ 936,007</b>	<b>728,303</b>	<b>514,507</b>	<b>296,749</b>	<b>150,937</b>

The following table represents the OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2013 and the four preceding years. The City implemented GASB 45 effective with fiscal year ended June 30, 2009 and data for the year ended June 30, 2008 is not available.

Fiscal Year End	Annual OPEB Costs	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 205,863	26.68%	150,937
June 30, 2010	203,172	28.23%	296,749
June 30, 2011	273,329	20.33%	514,507
June 30, 2012	269,446	20.65%	728,303
June 30, 2013	266,013	21.91%	936,007

**Funding Status and Funding Progress** – The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending June 30, 2013 and three preceding years are as follows:

	FY 2013	FY2012	FY2011	FY2010
Actuarial accrued liability	\$ 3,525,364	3,903,927	3,903,927	2,943,011
Plan assets	-	-	-	-
Unfunded actuarial accrued liability	\$ 3,525,364	3,903,927	3,903,927	2,943,011
Funded ratio	0%	0%	0%	0%
Covered payroll	\$ 11,859,085	11,513,675	11,287,917	11,434,678
Unfunded actuarial accrued liability as a percentage of covered payroll	29.73%	33.91%	34.59%	25.74%

**CITY OF AUBURN, MAINE**  
**Notes to the Financial Statements, Continued**  
**June 30, 2013**

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**IV. OTHER INFORMATION, Continued**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial Methods and Assumptions** – Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/13
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar open
Open amortization period	30 years
Discount Rate	4.0%
Rate of Salary Increases	3.0%
Ultimate Rate of Medical Inflation	4.25%

**Health Care Cost Trend Rate** - The trend rates of incurred claims represent the rate of increase in employer claim payments:

<u>Year</u>	<u>Pre-Medicare</u>	<u>Medicare-Eligible</u>
2013	8.91%	10.02%
2014	8.61%	9.65%
2015	8.30%	9.28%
2016	8.00%	8.90%
2017	7.69%	8.52%
2018	7.38%	8.14%
2019	7.07%	7.75%
2020	6.76%	7.37%
2021	6.45%	6.98%
2022	6.14%	6.60%
2023	5.82%	6.21%
2024	5.51%	5.82%
2025	5.19%	5.43%
2026	4.88%	5.03%
2027	4.57%	4.64%
2028+	4.25%	4.25%

**Future Plan Changes** – It is assumed that the current plan and cost-sharing structure remains in place for all future years.

**Payroll Growth** – For the level percentage of pay amortization method, total payroll is assumed to grow at 3.00% per year.

**CITY OF AUBURN, MAINE**  
**Required Supplementary Information**  
**June 30, 2013**

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**Schedule of Funding Progress**

**City Pension Plan**

Actuarial Valuation Date	Plan Assets	Actuarial Accrued Liability
6/30/2003	\$ -	1,729,231
6/30/2004	-	1,646,356
6/30/2005	-	1,546,846
6/30/2006	-	1,509,819
6/30/2007	-	1,443,008
6/30/2008	-	1,189,800
6/30/2009	-	1,154,649
6/30/2010	-	1,176,354
6/30/2011	-	1,029,771
6/30/2012	-	1,039,516
6/30/2013	-	832,900

**Retiree Healthcare Plan**

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) /c]
2009	1/1/09	\$ -	\$2,943,011	\$2,943,011	0.00%	\$11,162,860	26.36%
2010	1/1/09	-	2,943,011	2,943,011	0.00%	11,434,678	25.74%
2011	1/1/11	-	3,903,927	3,903,927	0.00%	11,287,917	34.59%
2012	1/1/11	-	3,903,927	3,903,927	0.00%	11,513,675	33.91%
2013	1/1/13	-	3,525,364	3,525,364	0.00%	11,859,085	29.73%

# Nonmajor Governmental Funds

## *Special Revenue Funds*

Special revenue funds are used to account for specific revenues that are restricted either by law or by administrative action, to expenditure for particular purposes.

## *Permanent Funds*

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

**Frank Boomer** – This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to benefit the poor and needy families of the City.

**Ella Foss** – This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to benefit the needy and indigent residents of the City for food, shelter, clothing and medical treatment.

**George Stetson** – This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to benefit the poor of the City.

**Cemetery Perpetual Care** – This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain various City cemeteries.

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

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Permanent Funds</b>	<b>Total Other Governmental Funds</b>
<b>ASSETS</b>			
Investments	\$ 302,698	265,833	568,531
Receivables:			
Accounts	101,587	-	101,587
Loans receivable	1,572,749	-	1,572,749
Interfund receivable	809,304	-	809,304
Intergovernmental	439,536	-	439,536
<b>Total assets</b>	<b>\$ 3,225,874</b>	<b>265,833</b>	<b>3,491,707</b>
<b>LIABILITIES</b>			
Accounts payable	227,023	-	227,023
Interfund payable	702,641	3,324	705,965
<b>Total liabilities</b>	<b>929,664</b>	<b>3,324</b>	<b>932,988</b>
<b>FUND BALANCES</b>			
Nonspendable - long-term receivables	1,572,749	-	1,572,749
Nonspendable - principal	-	69,475	69,475
Restricted	1,510,719	193,034	1,703,753
Committed	337,885	-	337,885
Unassigned	(1,125,143)	-	(1,125,143)
<b>Total fund balances</b>	<b>2,296,210</b>	<b>262,509</b>	<b>2,558,719</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,225,874</b>	<b>265,833</b>	<b>3,491,707</b>



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

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:			
Intergovernmental	\$ 4,908,911	-	4,908,911
Charges for services	394,515	-	394,515
Other revenue	324,232	-	324,232
Interest revenue	-	530	530
Total revenues	5,627,658	530	5,628,188
Expenditures:			
Current:			
General government	1,380,293	-	1,380,293
Culture and recreation	283,294	-	283,294
Education	3,948,882	-	3,948,882
Miscellaneous	-	780	780
Debt service	144,335	-	144,335
Total expenditures	5,756,804	780	5,757,584
Net change in fund balances	(129,146)	(250)	(129,396)
Fund balances, July 1	2,425,356	262,759	2,688,115
<b>Fund balances, June 30</b>	<b>\$ 2,296,210</b>	<b>262,509</b>	<b>2,558,719</b>

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

		City Special	School Special	211 Fairview	Parking	Parks and Recreation	Totals
<b>ASSETS</b>							
Investments	\$	104,758	-	-	197,940	-	302,698
Receivables:							
Accounts		77,874	-	-	18,126	5,587	101,587
Loans receivable		1,572,749	-	-	-	-	1,572,749
Interfund receivable		306,643	241,985	-	-	260,676	809,304
Intergovernmental		-	439,536	-	-	-	439,536
<b>Total assets</b>	<b>\$</b>	<b>2,062,024</b>	<b>681,521</b>	<b>-</b>	<b>216,066</b>	<b>266,263</b>	<b>3,225,874</b>
<b>LIABILITIES</b>							
Accounts payable		197,595	21,321	-	669	7,438	227,023
Interfund payable		-	-	566,304	136,337	-	702,641
Total liabilities		197,595	21,321	566,304	137,006	7,438	929,664
<b>FUND BALANCES (DEFICITS)</b>							
Nonspendable - long-term receivables		1,572,749	-	-	-	-	1,572,749
Restricted		850,519	660,200	-	-	-	1,510,719
Committed		-	-	-	79,060	258,825	337,885
Unassigned		(558,839)	-	(566,304)	-	-	(1,125,143)
Total fund balances (deficits)		1,864,429	660,200	(566,304)	79,060	258,825	2,296,210
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>2,062,024</b>	<b>681,521</b>	<b>-</b>	<b>216,066</b>	<b>266,263</b>	<b>3,225,874</b>

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

	City Special	School Special	211 Fairview	Parking	Parks and Recreation	Totals
Revenues:						
Intergovernmental	\$ 1,000,036	3,908,875	-	-	-	4,908,911
Charges for services	-	-	-	105,880	288,635	394,515
Other income	322,100	-	-	395	1,737	324,232
Total revenues	1,322,136	3,908,875	-	106,275	290,372	5,627,658
Expenditures:						
Current:						
General government	1,288,793	-	-	91,500	-	1,380,293
Culture and recreation	-	-	-	-	283,294	283,294
Education	-	3,948,882	-	-	-	3,948,882
Debt service	144,335	-	-	-	-	144,335
Total expenditures	1,433,128	3,948,882	-	91,500	283,294	5,756,804
Net change in fund balances	(110,992)	(40,007)	-	14,775	7,078	(129,146)
Fund balances (deficit), July 1	1,975,421	700,207	(566,304)	64,285	251,747	2,425,356
<b>Fund balances (deficit), June 30</b>	<b>\$ 1,864,429</b>	<b>660,200</b>	<b>(566,304)</b>	<b>79,060</b>	<b>258,825</b>	<b>2,296,210</b>

**CITY OF AUBURN, MAINE  
Combined Balance Sheet  
Nonmajor Permanent Funds  
June 30, 2013**

<b>ASSETS</b>	
Investments	\$ 265,833
<b>Total assets</b>	<b>265,833</b>
<b>LIABILITIES</b>	
Interfund payable	3,324
<b>Total liabilities</b>	<b>3,324</b>
<b>FUND BALANCES</b>	
Nonspendable - principal	69,475
Restricted	193,034
<b>Total fund balances</b>	<b>262,509</b>
<b>Total liabilities and fund balances</b>	<b>\$ 265,833</b>

**CITY OF AUBURN, MAINE  
Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Permanent Funds  
For the Year Ended June 30, 2013**

<b>Revenues:</b>	
Investment income	\$ 530
<b>Total revenues</b>	<b>530</b>
<b>Expenditures:</b>	
Current:	
Other miscellaneous	780
<b>Total expenditures</b>	<b>780</b>
Net change in fund balances	(250)
Fund balances, July 1	262,759
<b>Fund balances, June 30</b>	<b>\$ 262,509</b>

**CITY OF AUBURN, MAINE**  
**Combined Statement of Fiduciary Net Position**  
**Fiduciary Funds - Private-purpose Trust**  
**June 30, 2013**

		<b>Scholarships</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$	127,202
Total assets		127,202
<b>LIABILITIES</b>		
Accounts payable		15,992
Total liabilities		15,992
<b>NET POSITION</b>		
Held in trust	\$	111,210

**CITY OF AUBURN, MAINE**  
**Combined Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Private-purpose Trust**  
**For the Year Ended June 30, 2013**

		<b>Scholarships</b>
Additions:		
Investment income	\$	498
Total additions		498
Deductions:		
Scholarships		284,118
Total deductions		284,118
Change in net position		(283,620)
Net position, July 1		394,830
<b>Net position, June 30</b>	<b>\$</b>	<b>111,210</b>

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

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>ASSETS</b>				
Cash and cash equivalents	\$ 128,227	412,519	386,788	153,958
<b>Total assets</b>	<b>128,227</b>	<b>412,519</b>	<b>386,788</b>	<b>153,958</b>
<b>LIABILITIES</b>				
Amounts held for others	128,227	412,519	386,788	153,958
<b>Total liabilities</b>	<b>\$ 128,227</b>	<b>412,519</b>	<b>386,788</b>	<b>153,958</b>

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# ***STATISTICAL SECTION***



# STATISTICAL SECTION

This part of the City of Auburn, Maine'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 government's overall financial health.

## Contents

## Tables

### Financial Trends

1-4

*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

5-8

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

### Debt Capacity

9-12

*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

13-14

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*

### Operating Information

15-17

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

**CITY OF AUBURN, MAINE**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**From Government-wide Statement of Net Position**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities:</b>										
Investment in capital assets	\$ 31,148,277	\$ 34,037,355	\$ 47,187,231	\$ 48,954,306	\$ 54,681,797	\$ 59,484,907	\$ 59,140,618	\$ 56,084,796	\$ 53,111,954	\$ 61,542,514
Restricted	3,448,739	3,804,784	4,094,386	3,574,150	3,446,488	3,765,201	4,607,888	11,707,875	10,879,129	11,871,042
Unrestricted	(8,043,024)	(4,374,264)	(2,347,823)	3,655,088	6,449,247	6,738,835	13,892,494	12,166,714	21,012,904	10,929,045
<b>Total governmental activities net position</b>	<b>26,553,992</b>	<b>33,467,875</b>	<b>48,933,794</b>	<b>56,183,544</b>	<b>64,577,532</b>	<b>69,988,943</b>	<b>77,641,000</b>	<b>79,959,385</b>	<b>85,003,987</b>	<b>84,342,601</b>
<b>Business-type activities:</b>										
Investment in capital assets	347,086	345,741	344,398	390,008	416,684	1,033,634	928,388	829,060	781,208	708,368
Restricted	-	-	-	-	-	-	-	-	-	34,042
Unrestricted	116,788	156,985	183,842	168,242	189,487	296,012	326,230	353,997	651,420	594,157
<b>Total business-type activities net position</b>	<b>463,874</b>	<b>502,726</b>	<b>528,240</b>	<b>558,250</b>	<b>606,171</b>	<b>1,329,646</b>	<b>1,254,618</b>	<b>1,183,057</b>	<b>1,432,628</b>	<b>1,336,567</b>
<b>Primary government:</b>										
Investment in capital assets	31,495,363	34,383,096	47,531,629	49,344,314	55,098,481	60,518,541	60,069,006	56,913,856	53,893,162	62,250,882
Restricted	3,448,739	3,804,784	4,094,386	3,574,150	3,446,488	3,765,201	4,607,888	11,707,875	10,879,129	11,905,084
Unrestricted	(7,926,236)	(4,217,279)	(2,163,981)	3,823,330	6,638,734	7,034,847	14,218,724	12,520,711	21,664,324	11,523,202
<b>Total primary government net position</b>	<b>\$ 27,017,866</b>	<b>\$ 33,970,601</b>	<b>\$ 49,462,034</b>	<b>\$ 56,741,794</b>	<b>\$ 65,183,703</b>	<b>\$ 71,318,589</b>	<b>\$ 78,895,618</b>	<b>\$ 81,142,442</b>	<b>\$ 86,436,615</b>	<b>\$ 85,679,168</b>

**CITY OF AUBURN, MAINE**  
**Change in Net Position**  
**Last Ten Fiscal Years**  
**From Government-wide Statement of Activities**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 8,700,607	\$ 9,670,878	\$ 8,637,448	\$ 12,052,878	\$ 13,595,025	\$ 12,782,124	\$ 11,366,632	\$ 13,450,586	\$ 14,680,105	\$ 13,391,002
Public safety	6,811,806	6,274,025	6,387,319	6,795,667	7,363,307	8,013,617	7,899,897	7,673,153	8,001,972	8,468,689
Health, welfare and recreation	1,544,834	1,679,385	1,719,937	1,758,864	3,331,984	2,225,779	2,068,401	2,072,398	2,117,014	2,266,012
Public works	7,059,092	5,837,814	4,765,921	6,046,292	4,943,719	6,554,513	6,013,582	9,876,176	6,059,774	8,086,620
Other agencies	2,872,381	2,881,660	2,963,430	2,949,122	3,154,009	3,277,800	3,099,855	3,278,312	3,389,283	3,560,926
Education	36,836,177	37,065,404	37,738,620	38,682,079	36,575,423	39,285,952	39,952,843	42,408,444	42,418,741	41,810,979
Unclassified	1,813,759	836,636	900,891	3,127,839	1,849,876	-	-	-	-	-
Interest on debt	2,160,997	1,928,429	2,468,116	1,699,824	1,306,563	1,983,816	1,706,264	1,646,166	758,377	2,418,356
Total governmental activities expenses	67,799,653	66,174,231	65,581,682	73,112,565	72,119,906	74,123,601	72,107,474	80,405,235	77,425,266	80,002,584
Business-type activities:										
Ingersoll Ice Arena	127,097	131,898	162,790	192,310	144,519	296,500	506,301	482,686	539,555	490,593
Centralized School Lunch	-	-	-	-	-	-	-	-	-	1,421,308
Total business-type activities expenses	127,097	131,898	162,790	192,310	144,519	144,519	144,519	144,519	144,519	1,911,901
<b>Total primary government expenses</b>	<b>67,926,750</b>	<b>66,306,129</b>	<b>65,744,472</b>	<b>73,304,875</b>	<b>72,264,425</b>	<b>74,268,120</b>	<b>72,251,993</b>	<b>80,549,754</b>	<b>77,569,785</b>	<b>81,914,485</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	179,088	962,712	276,319	234,353	148,023	1,240,811	1,204,104	710,124	532,771	480,870
Public safety	98,088	79,315	-	-	-	50,221	87,882	285,365	701,234	841,366
Health, welfare and recreation	55,258	255,933	228,780	160,146	257,162	286,052	290,936	287,013	308,403	318,635
Public works	451,340	-	-	-	-	-	-	50,334	3,158	2,674
Other agencies	-	-	-	-	-	-	-	-	-	-
Education	682,900	597,118	863,397	1,083,731	1,283,420	689,325	584,258	676,120	514,390	484,567
Unclassified	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	25,018,929	21,993,769	25,822,043	26,991,891	27,379,368	29,718,646	29,999,705	31,521,140	33,003,967	29,939,559
Capital grants and contributions	-	-	2,884,801	-	-	-	-	602,210	-	-
Total governmental activities program revenues	26,485,603	23,888,847	30,075,340	28,470,121	29,067,973	31,985,055	32,166,885	34,132,306	35,063,923	32,067,671
Business-type activities:										
Charges for services	161,420	169,090	185,113	218,333	191,828	330,268	425,328	424,614	433,375	669,015
Operating grants and contributions	-	-	-	-	-	-	-	-	-	1,159,343
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	161,420	169,090	185,113	218,333	191,828	330,268	425,328	424,614	433,375	1,828,358
<b>Total primary government program revenues</b>	<b>26,647,023</b>	<b>24,057,937</b>	<b>30,260,453</b>	<b>28,688,454</b>	<b>29,259,801</b>	<b>32,315,323</b>	<b>32,592,213</b>	<b>34,556,920</b>	<b>35,497,298</b>	<b>33,896,029</b>

**CITY OF AUBURN, MAINE**  
**Change in Net Position**  
**Last Ten Fiscal Years**  
**From Government-wide Statement of Activities**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (expense)/revenue:										
Governmental activities	\$ (41,314,050)	\$ (42,285,384)	\$ (35,506,342)	\$ (44,642,444)	\$ (43,051,933)	\$ (42,138,546)	\$ (39,940,589)	\$ (46,272,929)	\$ (42,361,343)	(47,934,913)
Business-type activities	34,323	37,192	22,323	26,023	47,309	33,768	(80,973)	(58,072)	(106,180)	(83,543)
<b>Total primary government net expense</b>	<b>(41,279,727)</b>	<b>(42,248,192)</b>	<b>(35,484,019)</b>	<b>(44,616,421)</b>	<b>(43,004,624)</b>	<b>(42,104,778)</b>	<b>(40,021,562)</b>	<b>(46,331,001)</b>	<b>(42,467,523)</b>	<b>(48,018,456)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes	40,033,723	40,819,989	44,679,412	45,422,662	44,232,811	41,640,678	41,158,334	42,962,974	43,192,698	42,759,291
Grants not restricted to specific programs	2,778,123	3,008,472	3,049,515	3,781,007	4,009,459	4,681,432	4,651,989	4,103,025	4,172,425	4,330,113
Investment earnings	272,079	308,270	535,503	684,283	600,248	382,621	80,246	70,562	65,072	16,581
Other	2,144,472	4,878,144	2,707,831	1,978,852	2,603,404	1,534,722	1,707,975	1,013,764	230,549	166,802
<b>Total governmental activities general revenues</b>	<b>45,228,397</b>	<b>49,014,875</b>	<b>50,972,261</b>	<b>51,866,804</b>	<b>51,445,922</b>	<b>48,239,453</b>	<b>47,598,544</b>	<b>48,150,325</b>	<b>47,660,744</b>	<b>47,272,787</b>
Business-type activities:										
Investment earnings	513	1,660	3,191	3,987	613	211	47	-	51	757
<b>Total business-type activities general revenues</b>	<b>513</b>	<b>1,660</b>	<b>3,191</b>	<b>3,987</b>	<b>613</b>	<b>211</b>	<b>47</b>	<b>-</b>	<b>51</b>	<b>757</b>
<b>Total primary government</b>	<b>45,228,910</b>	<b>49,016,535</b>	<b>50,975,452</b>	<b>51,870,791</b>	<b>51,446,535</b>	<b>48,239,664</b>	<b>47,598,591</b>	<b>48,150,325</b>	<b>47,660,795</b>	<b>47,273,544</b>
<b>Change in Net Position</b>										
Governmental activities	3,914,347	6,729,491	15,465,919	7,224,360	8,393,989	5,411,411	7,652,057	1,890,885	5,312,676	(648,851)
Business-type activities	34,836	38,852	25,514	30,010	47,922	723,475	(75,028)	(71,561)	(119,404)	(96,061)
<b>Total primary government</b>	<b>\$ 3,949,183</b>	<b>\$ 6,768,343</b>	<b>\$ 15,491,433</b>	<b>\$ 7,254,370</b>	<b>\$ 8,441,911</b>	<b>\$ 6,134,886</b>	<b>\$ 7,577,029</b>	<b>\$ 1,819,324</b>	<b>\$ 5,193,272</b>	<b>(744,912)</b>

Beginning FY 2009 Unclassified Revenue was reclassified.

**CITY OF AUBURN, MAINE**  
**Fund Balances**  
**Last Ten Fiscal Years**  
**From Governmental Funds Balance Sheet**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011 (a)	2012	2013
<b>General Fund</b>										
Reserved*	\$ -	\$ -	\$ 558,178	\$ 478,065	\$ 587,024	\$ 110,672	\$ 55,566	\$ -	\$ -	\$ -
Unreserved:										
Designated	487,544	1,066,274	1,291,770	1,224,436	1,790,409	2,337,962	1,737,562	-	-	-
Undesignated	2,215,528	3,587,200	5,088,428	7,898,295	8,783,174	8,405,631	9,599,911	-	-	-
Nonspendable	-	-	-	-	-	-	-	226,255	97,171	75
Restricted	-	-	-	-	-	-	-	2,679,579	1,840,047	2,449,945
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	1,087,851	942,172	1,154,572
Unassigned	-	-	-	-	-	-	-	9,108,868	10,734,773	8,775,150
<b>Total general fund</b>	<b>\$ 2,703,072</b>	<b>\$ 4,653,474</b>	<b>\$ 6,938,376</b>	<b>\$ 9,600,796</b>	<b>\$ 11,160,607</b>	<b>\$ 10,854,265</b>	<b>\$ 11,393,039</b>	<b>\$ 13,102,553</b>	<b>\$ 13,614,163</b>	<b>\$ 12,379,742</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 5,467,351	\$ 5,789,631	\$ 3,945,171	\$ 5,553,478	\$ 3,448,001	\$ 9,149,416	\$ 9,449,895	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,077,207	2,820,744	5,516,940	4,769,893	3,987,906	3,503,209	3,414,932	-	-	-
Capital project funds	3,178,555	7,157,634	9,719,595	13,480,577	10,147,915	5,082,615	5,545,423	-	-	-
Permanent funds	140,697	159,863	169,201	12,092	20,356	22,118	22,960	-	-	-
Nonspendable	-	-	-	-	-	-	-	5,922,783	5,813,531	5,712,143
Restricted	-	-	-	-	-	-	-	3,105,513	3,464,347	3,710,739
Committed	-	-	-	-	-	-	-	10,104,760	10,998,530	7,985,485
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(841,666)	(694,644)	(1,125,143)
<b>Total all other governmental funds</b>	<b>\$ 10,863,810</b>	<b>\$ 15,927,872</b>	<b>\$ 19,350,907</b>	<b>\$ 23,816,040</b>	<b>\$ 17,604,178</b>	<b>\$ 17,757,358</b>	<b>\$ 18,433,210</b>	<b>\$ 18,291,390</b>	<b>\$ 19,581,764</b>	<b>\$ 16,283,224</b>

\* Includes reserves for long-term receivables which were part of Unreserved, Undesignated from 2003-2005.

(a) The City of Auburn adopted the provisions of GASB 54 for the year ended June 30, 2011, which changed the classifications of fund balances.

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$ 39,992,873	\$ 40,779,413	\$ 44,494,827	\$ 44,952,500	\$ 43,935,273	\$ 41,667,416	\$ 41,488,299	\$ 42,742,974	\$ 42,960,856	\$ 42,749,449
Intergovernmental	27,797,052	28,130,003	32,204,039	29,750,266	31,426,596	34,400,078	34,651,694	34,919,262	36,258,176	33,631,641
Licenses and permits	328,384	312,511	336,466	485,045	340,375	285,951	243,924	303,183	266,852	374,011
Charges for services	1,544,256	1,544,534	1,654,166	2,355,904	1,857,235	1,532,589	1,615,603	1,699,004	1,750,848	1,720,625
Unclassified	2,010,585	2,096,686	2,173,518	2,323,048	2,656,878	2,365,212	2,095,873	1,710,401	1,191,668	854,889
<b>Total revenues</b>	<u>71,673,150</u>	<u>72,863,147</u>	<u>80,863,016</u>	<u>79,866,763</u>	<u>80,216,357</u>	<u>80,251,246</u>	<u>80,095,393</u>	<u>81,374,824</u>	<u>82,428,400</u>	<u>79,330,615</u>
<b>Expenditures</b>										
General government	9,649,591	9,232,637	8,718,247	11,380,493	13,074,585	10,908,351	11,947,264	11,666,157	12,532,558	11,881,126
Public safety	6,684,780	6,022,608	6,459,529	6,544,970	6,941,313	7,717,089	7,703,785	7,367,139	7,717,441	8,063,515
Health, welfare and recreator	1,471,696	1,614,052	1,759,136	1,690,272	1,807,107	1,986,595	1,800,326	1,847,549	1,876,392	2,022,319
Public Works	4,044,050	4,404,716	4,240,085	4,439,555	4,836,864	4,574,186	4,058,000	4,191,424	4,285,363	4,524,288
Other agencies	2,872,381	2,881,660	2,963,430	2,949,122	3,154,009	3,277,800	3,099,855	3,278,312	3,389,283	3,560,926
Education	37,285,163	36,289,346	38,964,083	37,502,885	38,138,372	42,253,675	41,550,748	42,954,361	42,273,954	42,137,967
Unclassified	631,970	609,504	670,448	499,326	271,918	305,995	310,093	303,539	403,753	405,669
Self insurance	877,413	227,131	230,443	323,581	692,607	348,629	470,524	671,092	517,299	383,566
Capital projects	10,895,705	8,682,736	14,519,496	10,212,556	10,286,851	8,540,966	6,024,814	7,158,898	4,855,507	9,800,219
Debt Service:										
Principal	5,168,666	5,213,666	7,295,571	7,316,079	7,121,719	6,758,858	6,747,858	6,854,251	6,894,785	7,912,000
Interest expense	2,639,127	2,890,720	2,625,919	2,905,760	2,643,237	2,062,090	1,680,602	1,513,494	1,511,411	161,050
<b>Total expenditures</b>	<u>82,220,542</u>	<u>78,068,776</u>	<u>88,446,387</u>	<u>85,764,599</u>	<u>88,968,582</u>	<u>88,734,234</u>	<u>85,393,869</u>	<u>87,806,216</u>	<u>86,257,746</u>	<u>90,852,645</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(10,547,392)</u>	<u>(5,205,629)</u>	<u>(7,583,371)</u>	<u>(5,897,836)</u>	<u>(8,752,225)</u>	<u>(8,482,988)</u>	<u>(5,298,476)</u>	<u>(6,431,392)</u>	<u>(3,829,346)</u>	<u>(11,522,030)</u>

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Other financing sources (uses)</b>										
Proceeds - Bonds	\$ 6,085,000	\$ 23,130,000	\$ 12,281,000	\$ 13,000,000	\$ 6,000,000	\$ 6,430,000	\$ 6,500,000	\$ 7,900,000	\$ 4,500,000	\$ 14,892,323
Proceeds - Notes	-	-	1,010,307	-	-	-	-	1,024,625	-	-
Premium on issuance of debt	-	-	-	-	-	-	-	85,597	83,077	1,052,751
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	(9,118,353)
Transfers in	3,161,819	3,497,933	3,514,367	3,475,757	3,089,839	2,500,434	2,345,005	2,190,819	2,215,395	2,345,053
Transfers out	(3,161,819)	(3,497,933)	(3,514,367)	(3,475,757)	(3,089,839)	(2,500,434)	(2,331,903)	(2,177,330)	(2,202,120)	(2,331,778)
<b>Total other financing sources (uses)</b>	<u>6,085,000</u>	<u>23,130,000</u>	<u>13,291,307</u>	<u>13,000,000</u>	<u>6,000,000</u>	<u>6,430,000</u>	<u>6,513,102</u>	<u>9,023,711</u>	<u>4,596,352</u>	<u>6,839,996</u>
<b>Net change in fund balances</b>	<u><b>\$ (4,462,392)</b></u>	<u><b>\$ 17,924,372</b></u>	<u><b>\$ 5,707,936</b></u>	<u><b>\$ 7,102,164</b></u>	<u><b>\$ (2,752,225)</b></u>	<u><b>\$ (2,052,988)</b></u>	<u><b>\$ 1,214,626</b></u>	<u><b>\$ 2,592,319</b></u>	<u><b>\$ 767,006</b></u>	<u><b>\$ (4,682,034)</b></u>
<b>Debt service as a percentage of noncapital expenditures</b>	10.95%	11.68%	13.42%	13.53%	12.41%	11.00%	10.62%	9.95%	10.38%	9.96%

Table 5

**CITY OF AUBURN, MAINE**  
**Assessed Value to Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal year</b>	<b>Assessed Value - Real Property</b>	<b>Assessed Value - Personal Property</b>	<b>Total Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Ratio of Total Assessed Value to Total Estimated Actual Value</b>	<b>Total Tax/ (Mil) Rate</b>
2004	1,008,636,300	237,208,500	1,245,844,800	1,350,550,000	92.2%	29.38
2005	1,032,643,700	235,563,400	1,268,207,100	1,547,750,000	81.9%	29.38
2006	1,003,562,800	316,435,600	1,319,998,400	1,658,250,000	79.6%	30.48
2007	1,399,344,100	293,111,800	1,692,455,900	1,922,200,000	88.0%	24.35
2008	1,797,817,200	276,822,200	2,074,639,400	2,086,700,000	99.4%	19.28
2009	1,813,049,300	262,829,700	2,075,879,000	1,981,600,000	104.8%	18.41
2010	1,829,692,800	238,980,400	2,068,673,200	2,054,450,000	100.7%	18.31
2011	1,847,854,620	220,930,500	2,068,785,120	1,991,800,000	103.9%	19.30
2012	1,850,235,678	208,348,600	2,058,584,278	1,980,250,000	104.0%	19.39
2013	1,820,465,334	190,045,000	2,010,510,334	1,954,400,000	102.9%	19.59



Table 6

**CITY OF AUBURN, MAINE**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Government</b>		<b>General Fund Debt Service</b>		<b>Education</b>		<b>Total Tax/ (Mil) Rate</b>
2004	12.03	36.22%	5.81	19.78%	11.54	39.28%	29.38
2005	12.31	37.40%	5.57	18.97%	11.50	39.14%	29.38
2006	12.51	36.58%	5.80	19.05%	12.17	39.96%	30.48
2007	10.12	37.27%	4.56	18.74%	9.66	39.69%	24.35
2008	8.43	39.06%	3.44	17.83%	7.41	38.45%	19.28
2009	7.72	36.72%	3.41	18.53%	7.28	39.56%	18.41
2010	7.91	38.44%	3.28	17.90%	7.12	38.89%	18.31
2011	8.89	41.30%	3.29	17.07%	7.12	36.89%	19.30
2012	9.01	41.62%	3.31	17.07%	7.07	36.46%	19.39
2013	9.01	45.94%	3.20	16.36%	7.38	37.70%	19.59

During 2007 and 2008 a revaluation was initiated and phased in over the two year period.

Table 7

**CITY OF AUBURN, MAINE**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**June 30, 2013**

	<b>Taxpayer</b>	<b>Business</b>	<b>Assessed Value</b>	<b>% of Total Tax Base</b>	<b>Cumulative %</b>
1	Tambrands	Personal Products	\$ 83,079,000	4.04%	4.0%
2	Auburn Plaza, Inc	Regional shopping	31,475,700	1.53%	5.6%
3	Wal-Mart Real Estate	Retail	25,844,900	1.26%	6.8%
4	Pioneer Plastics	Laminates	23,522,300	1.14%	8.0%
5	Central Maine Power Company	Electric Utility	20,204,230	0.98%	8.9%
6	Gates Formed Fiber	Automotive Products	19,848,600	0.96%	9.9%
7	Lowes Home Centers	Retail	16,389,900	0.80%	10.7%
8	Cascades Auburn Fiber	Paper Reprocessor	14,905,900	0.72%	11.4%
9	FPL Energy Maine Hydro LLC	Electric Utility	14,568,700	0.71%	12.1%
10	Riverwatch LLC	Lodging	14,407,500	0.70%	12.8%
			\$ 264,246,730		

**June 30, 2004**

	<b>Taxpayer</b>	<b>Business</b>	<b>Assessed Value</b>	<b>% of Total Tax Base</b>	<b>Cumulative %</b>
1	Tambrands	Personal Products	\$ 100,026,000	8.28%	8.3%
2	PPC Acquisition Corp	Plastic Laminates	24,225,800	2.01%	10.3%
3	Wal-Mart Real Estate	Retail	20,832,800	1.73%	12.0%
4	Gates Formed Fiber	Automotive Products	16,051,800	1.33%	13.4%
5	Cascades Auburn Fiber	Paper Reprocessor	13,642,700	1.13%	14.5%
6	General Electric Company	Electrical Components	13,574,700	1.12%	15.6%
7	Greenland Vistas	Real Estate	13,089,600	1.08%	16.7%
8	Central Maine Power Company	Electric Utility	11,939,000	0.99%	17.7%
9	FPL Energy, Maine Hydro LLC	Electric Utility	10,409,800	0.86%	18.5%
10	Seltzer & Rydholm, Inc.	Beverage Bottlers	10,187,600	0.84%	19.4%
			\$ 233,979,800		

**Table 8**

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

<b>Fiscal year</b>	<b>Gross Tax Levy</b>	<b>Abatements</b>	<b>Net Tax Levy</b>	<b>Collections In Current Year</b>	<b>Percent of Net Levy Collected</b>	<b>Collections in Later Years</b>	<b>Total Collections</b>	<b>Total Collections as a Percent of Net Levy</b>
2004	36,579,675	93,067	36,486,608	35,937,525	98.50%	496,908	36,434,433	99.86%
2005	37,378,635	254,933	37,123,702	36,348,878	97.91%	698,282	37,047,160	99.79%
2006	40,488,967	369,260	40,119,707	38,994,735	97.20%	1,075,997	40,070,732	99.88%
2007	41,211,301	350,703	40,860,598	39,748,652	97.28%	1,075,623	40,824,275	99.91%
2008	39,999,048	199,632	39,799,416	37,963,612	95.39%	1,778,051	39,741,663	99.85%
2009	38,216,932	139,750	38,077,182	36,718,256	96.43%	1,310,118	38,028,374	99.87%
2010	37,999,926	219,262	37,780,664	36,929,246	97.75%	769,145	37,698,391	99.78%
2011	39,984,486	192,788	39,791,698	38,721,670	97.31%	637,869	39,359,539	98.91%
2012	39,948,404	118,447	39,829,957	38,713,505	97.20%	4,927	38,718,432	97.21%
2013	39,455,557	123,605	39,331,952	38,262,685	97.28%	-	38,262,685	97.28%

Table 9

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

Fiscal year	Governmental Activities			Business-type Activities			Total Long-term Debt	Total Long-term Debt	Ratio of Total Debt		Per Capita Net of State Subsidy
	General Obligation Bonds	Notes	Total Long-term Debt	General Obligation Bonds	Notes	Total Long-term Debt		Net of State Subsidy	To Assessed Value	Per Capita	
2004	58,510,000	293,626	58,803,626	106,674	-	106,674	58,910,300	55,551,974	4.7%	2,503.63	2,360.90
2005	60,043,000	205,668	60,248,668	80,008	-	80,008	60,328,676	56,712,684	4.8%	2,556.08	2,402.88
2006	67,817,000	1,170,200	68,987,200	53,342	-	53,342	69,040,542	55,575,884	5.2%	2,925.20	2,354.71
2007	72,629,000	745,801	73,374,801	26,676	-	26,676	73,401,477	60,160,522	4.3%	3,109.97	2,548.96
2008	70,267,000	618,562	70,885,562	-	-	-	70,885,562	57,617,931	3.4%	3,003.37	2,441.23
2009	67,925,000	495,078	68,420,078	-	-	-	68,420,078	52,369,513	3.3%	2,898.91	2,218.86
2010	65,973,000	371,595	66,344,595	-	-	-	66,344,595	50,080,604	3.2%	2,877.67	2,172.22
2011	65,461,000	692,675	66,153,675	-	-	-	66,153,675	48,634,442	3.2%	2,869.39	2,109.50
2012	61,239,000	598,596	61,837,596	-	-	-	61,837,596	51,652,300	3.0%	2,682.18	2,240.39
2013	59,534,323	504,518	60,038,841	-	-	-	60,038,841	53,811,066	2.9%	2,604.16	2,334.03

Table 10

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

<b>Fiscal year</b>	<b>General Obligation Bonds</b>	<b>To Estimated Actual Value</b>	<b>Per Capita</b>	<b>Total Governmental Activity Debt Net of State Subsidy</b>	<b>Per Capita Net of State Subsidy</b>
2004	58,510,000	4.3%	2,486.61	55,169,326	2,345
2005	60,043,000	3.9%	2,543.98	56,728,992	2,404
2006	67,817,000	4.1%	2,873.36	64,529,658	2,734
2007	72,629,000	3.8%	3,077.24	69,368,324	2,939
2008	70,267,000	3.4%	2,977.16	67,033,000	2,840
2009	67,925,000	3.3%	2,877.93	51,874,435	2,198
2010	65,973,000	3.2%	2,795.23	50,080,604	2,122
2011	65,461,000	3.2%	2,839.34	48,634,442	2,109
2012	61,239,000	3.0%	2,656.21	51,652,300	2,240
2013	59,534,323	2.9%	2,559.81	53,306,548	2,312

Table 11

**CITY OF AUBURN, MAINE**  
**Direct and Overlapping Governmental Activities Debt**  
**Last Ten Fiscal Years**

Fiscal Year	Direct Debt - City of Auburn	Direct Debt - Androscoggin County	Auburn's Share of Androscoggin County Debt	Overlapping Debt - Androscoggin County	Direct and Overlapping Debt		
					Total Debt	Percent of Assessed Value	Per Capita
2004	58,510,000	2,300,000	25.75%	592,250	59,102,250	4.74%	2,512
2005	60,043,000	1,855,000	26.33%	488,422	60,531,422	4.77%	2,565
2006	67,817,000	1,410,000	25.22%	355,602	68,172,602	5.16%	2,888
2007	72,629,000	965,000	25.75%	248,488	72,877,488	4.31%	3,088
2008	70,267,000	516,800	25.75%	133,076	70,400,076	3.39%	2,983
2009	67,925,000	75,000	23.72%	17,788	67,942,788	3.27%	2,879
2010	65,973,000	-	24.47%	-	65,973,000	3.19%	2,795
2011	66,153,675	-	24.47%	-	66,153,675	3.20%	2,869
2012	61,837,596	-	24.64%	-	61,837,596	3.00%	2,682
2013	60,038,841	-	24.64%	-	60,038,841	2.99%	2,604

**CITY OF AUBURN, MAINE  
 Legal Debt Management  
 Last Ten Years  
 Computation of Legal Debt Margin  
 June 30, 2013**

Total State Valuation	\$ 1,954,400,000								
Legal Debt Limitation:									
15% of State Valuation	293,160,000								
Debt Applicable to Debt Limitation:	Bonded General Obligation Debt								
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Legal Maximum</td> <td style="width: 50%; text-align: center;">As a Percent of</td> </tr> <tr> <td style="text-align: center;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Percentage</td> <td style="width: 50%; text-align: center;">Amount</td> </tr> </table> </td> <td style="text-align: center;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Dollar Amount</td> <td style="width: 50%; text-align: center;">Legal State Maximum Valuation</td> </tr> </table> </td> </tr> </table>	Legal Maximum	As a Percent of	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Percentage</td> <td style="width: 50%; text-align: center;">Amount</td> </tr> </table>	Percentage	Amount	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Dollar Amount</td> <td style="width: 50%; text-align: center;">Legal State Maximum Valuation</td> </tr> </table>	Dollar Amount	Legal State Maximum Valuation
Legal Maximum	As a Percent of								
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Percentage</td> <td style="width: 50%; text-align: center;">Amount</td> </tr> </table>	Percentage	Amount	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Dollar Amount</td> <td style="width: 50%; text-align: center;">Legal State Maximum Valuation</td> </tr> </table>	Dollar Amount	Legal State Maximum Valuation				
Percentage	Amount								
Dollar Amount	Legal State Maximum Valuation								
Purpose									
Municipal & School	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">15.0%</td> <td style="width: 25%; text-align: right;">\$ 293,160,000</td> <td style="width: 25%; text-align: center;">0.00%</td> <td style="width: 25%; text-align: center;">0.00%</td> </tr> </table>	15.0%	\$ 293,160,000	0.00%	0.00%				
15.0%	\$ 293,160,000	0.00%	0.00%						
Margin for Additional Borrowing:	<u>\$ 293,160,000</u>								

**Historical Legal Debt Margin  
 Last Ten Fiscal Years**

	Legal Debt Limit	Debt Outstanding	Legal Debt Margin	Debt Outstanding/ Legal Debt Limit
2004	202,582,500	58,910,300	143,672,200	29.1%
2005	232,162,500	60,123,008	172,039,492	25.9%
2006	248,737,500	68,987,200	179,750,300	27.7%
2007	288,330,000	72,629,000	215,701,000	25.2%
2008	313,005,000	70,267,000	242,738,000	22.4%
2009	297,240,000	67,925,000	229,315,000	22.9%
2010	308,167,500	65,973,000	242,194,500	21.4%
2011	298,770,000	65,461,000	233,309,000	21.9%
2012	297,037,500	61,239,000	235,798,500	20.6%
2013	293,160,000	59,534,323	293,160,000	20.3%

Table 13

**CITY OF AUBURN, MAINE**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

Fiscal Year	(1) Population	(2) Total Personal Wages	Per Capita Personal Wages	(2) Annual Average Unemployment Rate
2004	23,530	494,390,919	21,011	4.3%
2005	23,602	500,172,959	21,192	4.4%
2006	23,602	524,603,224	22,227	4.4%
2007	23,602	516,644,872	21,890	4.5%
2008	23,602	525,502,169	22,265	4.6%
2009	23,602	486,782,327	20,625	8.9%
2010	23,055	Not available	34,678	7.9%
2011	23,055	Not available	35,181	7.8%
2012	23,055	Not available	35,871	7.2%
2013	23,055	Not available	36,192	7.8%

(1) Source: US Census Bureau

(2) Source: Maine Department of Labor



Table 14

**CITY OF AUBURN, MAINE**  
**Principal Non-Governmental Employers**  
**Current Year and Nine Years Ago**  
**June 30, 2013**

Rank	Employer	Total Number of Employees	Percent of Total Employees
1	Wal-Mart Supercenter	562	4.9%
2	Tambrands Inc.	541	4.7%
3	Lepage Bakeries	522	4.5%
4	Pioneer Plastics	502	4.3%
5	Gates Formed Fiber Products	450	3.9%
6	Clover Living Center	268	2.3%
7	Hannaford	177	1.5%
8	General Electric	161	1.4%
9	Shaw's Supermarkets	156	1.3%
10	Thomas Moser Cabinetmakers	128	1.1%
	All Other Employers	8,103	70.0%
	Total Employees	11,570	

**Principal Non-Governmental Employers**  
**June 30, 2004**

Rank	Employer	Total appr. number of employees	
1	Pioneer Plastics Corp.	619	4.0%
2	Tambrands	525	3.4%
3	Gates Formed Fibre	450	2.9%
4	Clover Manor Inc.	305	2.0%
5	General Electric	300	1.9%
6	Shaw's Supermarket	240	1.5%
7	Wal-Mart Associates	230	1.5%
8	Hannaford Bros.	190	1.2%
9	Advantage Business Services	180	1.2%
10	Auburn Shoe	175	1.1%
	All Other Employers	12,315	79.3%
	Total Employees	15,529	

Source: Maine Department of Labor

**Table 15**

**CITY OF AUBURN, MAINE  
Number of Employees  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Health, Welfare &amp; Recreation</b>	<b>Public Works</b>	<b>Education</b>	<b>Ice Arena</b>	<b>Total</b>
2004	43.25	120.50	13.00	71.00	651.30	0.50	899.55
2005	38.00	116.50	11.50	69.00	638.40	1.00	874.40
2006	38.25	119.50	11.00	70.00	628.80	1.00	868.55
2007	41.50	120.00	10.00	69.00	623.30	1.00	864.80
2008	40.75	120.50	12.00	69.00	645.00	1.00	888.25
2009	42.50	117.50	11.50	62.00	614.00	1.00	848.50
2010	40.00	125.00	13.00	55.00	589.00	2.00	824.00
2011	44.00	117.00	20.00	53.00	679.00	2.00	915.00
2012	42.00	123.00	14.00	55.00	585.00	2.00	821.00
2013	45.00	124.00	14.00	55.00	585.00	2.00	825.00

Source: Various City departments

Table 16

CITY OF AUBURN, MAINE Demand for Level of Service Last Ten Fiscal Years						
	General Government	Public Safety	Health, Welfare & Recreation	Public Works	Education	Ice Arena
	Service Units:	Service Units:	Service Units:	Service Units:	Service Units:	Service Units:
Fiscal Year	City Population	Police / Fire No. of Service Calls	Libraries / Parks / Cemeteries Maintained	Miles of Road Maintained	No. of Students	Hours of Ice Time Rented
2004	23,530	29,647 / 4,136	1 / 16 / 18	223	3,570	1,060
2005	23,602	27,974 / 4,109	1 / 16 / 18	223	3,478	1,116
2006	23,602	29,536 / 4,306	1 / 16 / 18	223	3,399	1,026
2007	23,602	28,741 / 4,222	1 / 16 / 18	223	3,497	991
2008	23,602	28,960 / 4,137	1 / 19 / 16	226	3,534	915
2009	23,602	24,282 / 3,877	1 / 19 / 16	226	3,534	1,540
2010	23,055	22,186 / 3,196	1 / 19 / 16	225	3,568	2,121
2011	23,055	23,924 / 3,365	1 / 19 / 16	225	3,634	1,684
2012	23,055	26,195 / 3,545	1 / 19 / 17	237	3,650	1,798
2013	23,055	24,110 / 3,560	1 / 19 / 17	237	3,744	1,798

Source: Various City departments

Table 17

**CITY OF AUBURN, MAINE**  
**Capital Assets Statistics - Net Book Value**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Health, Welfare &amp; Recreation</b>	<b>Public Works</b>	<b>Education</b>	<b>Ice Arena</b>
2004	\$ 17,392,845	\$ 2,054,273	\$ 3,281,914	\$ 37,735,361	\$ 15,012,510	\$ 453,759
2005	21,129,290	1,961,819	3,210,913	39,515,536	15,436,665	425,749
2006	24,467,276	1,909,891	3,246,882	40,030,178	25,991,089	397,740
2007	24,988,416	2,101,812	3,215,236	43,740,199	25,991,089	416,684
2008	24,228,799	2,469,571	3,731,189	51,477,507	26,525,978	416,684
2009	23,607,655	2,203,282	3,655,392	57,109,583	27,619,073	1,033,634
2010	28,824,479	2,109,338	8,982,225	51,600,320	27,133,850	928,388
2011	30,016,043	1,954,048	8,743,446	49,696,710	27,098,225	829,059
2012	33,680,128	1,844,090	8,507,608	47,535,463	27,830,918	729,731
2013	34,145,986	2,020,995	6,001,834	46,166,780	27,536,761	630,402

Source: Various City departments

