

City of Auburn, Maine

Comprehensive Annual Financial Report



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*For Fiscal Year Ended
June 30, 2014*

CITY OF AUBURN, MAINE

Finance Department

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For Fiscal Year Ended
June 30, 2014**

Prepared By:
Finance and Management

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CITY OF AUBURN, MAINE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2014

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INTRODUCTORY SECTION

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City of Auburn, Maine

"Maine's City of Opportunity"



November 24, 2014

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, 2014, 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 twelfth 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 for 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 2014

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 is 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 November, a new 73,000 square foot dual sheet ice arena was opened that replaces Ingersoll Arena. A private developer donated the land to the City and built the arena, which the City is leasing 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. Ingersoll Arena will be undergoing a repurposing and will become an indoor turf facility that can be used for various sports teams to practice in inclement weather.

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 2014.

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 2014, the Capital Improvement budget included \$2.935 million to fund street, sidewalk, infrastructure and drainage improvements; \$1.5 million to fund School Department capital projects and \$1.365 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. With their vision of empowering life-long learners to succeed in a world yet imagined, 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. We have long been recognized for numerous individual and district-wide accomplishments.

Educational Excellence

Auburn School Department adopted Vision 2020 in 2010, which has been the document that leads the direction of the School Department. To support the implementation of Vision 2020, the department recognizes the importance of Customized Learning, as a foundational piece of the work. Customized Learning 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 K-3, 7-8 and 9-12 students are provided with an iPad. The iPad is an essential tool for learning as it provides students the opportunity to practice skills, problem-solve, communicate ideas, be creative and much more. The use of technology is essential to our students developing 21st century knowledge and skills that will allow them to be successful in a world yet imagined.

Auburn's staff is provided ongoing 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. It is important that our staff know how to use student data to inform their instruction and to make adjustments accordingly to meet the needs of all students. It is as important to provide interventions for students who are not proficient in meeting identified standards as it is to provide those students meeting proficiency levels with an opportunity to move forward in their learning.

This year, Auburn will be writing its strategic design to articulate measurable steps toward reaching Vision 2020 with community feedback. The strategic design document will be meant as a guide, which is flexible and responsive to needs of the District.

All the work at the various levels is showing 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 and our Vision 2020.

Leveraging Learning Institute

Auburn Schools hosted its third annual Leveraging Learning Institute November 13-15, 2013. Approximately 130 participants, mostly from across Maine, but also from North Carolina, New York, Pennsylvania, and Massachusetts, descended on the Hilton Garden Inn Riverwatch to explore lessons learned from Auburn's first-in-the-country iPads in primary grades initiative. Many of session were led by Auburn School Department's own teachers and administrators and included topics in four strands: Leadership and Professional Development; Curriculum, Instruction, and Assessment; Data and Research; and Technical Project Management. Featured speakers included Yellow Light Breen, Executive Vice President and Chief Strategic Officer at Bangor Savings Bank, and Dr. Bill Rankin, Director of Learning at Apple Inc.

School Building Infrastructure and Fleet Improvements

The School Department continued its work to improve the quality of the City's school facilities infrastructure. The facilities are property of the City and the School Department is steward and maintains the City facilities. The School Department's facilities have a total replacement value of \$95,030,315; thereby, the School Department's Capital Improvement needs for Fy14 were submitted for review and recommendation to the City Council at \$3,450,645, which represents 3.6% of capital asset values. The City Councilors approved and authorized \$1,500,000 in CIP Bond issuance for the School Department in their August 2013 Bond Issuance. This is a capital asset renewal of 1.5% of replacement value into school facilities infrastructure.

The School Department also submitted to the State Department of Education for the State Revolving Renovation Loan Program three Priority#1 projects that received approval and funding via Maine Municipal Bond Bank. The approved amount was \$384,760, of which 55% of the loan is forgiven and the remaining amount is repaid at 0% over 5 years.

The following projects were executed in Fy14 with final project acceptance by September 2014:

<u>Location</u>	<u>Project Description</u>
Edward Little High School	Asbestos Floor Tiles Replacement [Phase II] Library Carpet Replacement Boiler Conversion to Natural Gas Security Surveillance Equipment & Control Door Access Underground Oil Tank Removal Tennis Court Repair & Resurface-Phase II Visual & Performing Arts Equipment Security Access Card Photo/Printer
Franklin Alternative School	New Ventilation System Asbestos Removal – last phase
Walton School	New Shingled Roof New LED Parking Lot Lighting Control Door Access Underground Oil Tank Removal New Catch Basins, Parking Lot Paving and Striping New Exterior Security Lighting New Stage Curtains
Auburn Middle School	Skylight Replacements Drainage, Parking Lot Paving & Striping Underground Oil Tank Removal Security Surveillance Equipment & Control Door Access Cafeteria Windows Replacement
Fairview School	Asbestos Floor Tile Replacement [Phase III] Control Door Access Underground Oil Tank Removal Cafeteria Tables Replacement

Washburn School	Underground Oil Tank Removal
Park Avenue School	Control Door Access
Industry Ave	Replacement #2 fuel boilers to Natural Gas [Phase1] Replace old propane bus fueling system with upgrade w/increase fuel output

We continued to implement the Verification and Measurement of the final phase of our Performance Contract with Siemens Technology. The Year-5 Savings Report of 2014 is an important measure to solidify that the anticipated savings have been realized. The Verification and Measurement Year-4 Savings Report was conducted and analysis revealed that the Siemens guaranteed annual savings of \$221,057 was not only met, but in fact a savings of \$428,883 was realized. The savings is \$207,826 greater than originally projected. Approximately 35% of the annual savings can be attributed to our energy conversion to natural gas from #2 fuel on nine school facilities. The energy savings each fiscal year is used to reimburse Siemens Technology for the energy efficiency projects conducted five 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 five fiscal years, we have saved a total of \$1,560,516 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 Fy13 DOE approval for the replacement in Fy14 budget of one new school bus, which replaces a 2001 International school bus with type C and regular 77-passenger. The DOE Bus Purchase/Replacement program requires that the school bus 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 Fy14 bus purchases included a propane-fired engine. These propane engines have better gas mileage and 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 of \$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, contingent of replacing two new buses each year; that is subject to State DOE approval. We currently have six school buses that operate on propane-fired engines. Aside from producing an annual savings, we are lessening our greenhouse gas emissions into the atmosphere.

School Messenger [Continuation from previous year]

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 and last year of said grant continues to afford us the ability to submit competitive grants relative to School Safety. During Fy14, 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 a 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 landlines, mobile phones, or email addresses and are also multi-dimensional; whereby information can be disseminated simultaneously using multiple mediums. The cost for 6 years of alert notification, software, licensing and training, is \$40,291. During the last year of Safe Schools grant, our School Messenger was acknowledged by Federal Grantee, as an important tool in alerting law enforcement officials, community and staff of pending emergencies, whereby we received an additional two years toward the alert notification, software, licensing and training. An overall value savings of \$20,145 for 5 years.

Grant Office

The Auburn School Department was awarded directly or through joint applications 44 grants in Fiscal Year 2013-14 for a total of \$631,697.

Federal	3
State of Maine	15
Foundation	25
Donation	1

Although the following grants do not have a monetary value attached to them, they have provided exceptional opportunities to our students and staff including:

- Erin Towns, Edward Little High School (ELHS), was awarded a Fulbright-Hays Summer Seminar Abroad Fellowship. Erin traveled throughout China for a month learning about Chinese history, the economy, society and art. She brought this knowledge to life for her students in the classroom.
- Challenge 20/20 is an Internet-based program sponsored by the National Association of Independent Schools which pairs classes from schools in the U.S. with their counterpart classes in schools from other countries; together, the teams (of two or three schools) find local solutions to one of 20 global problems. ELHS was assigned the global problem of global infectious diseases and partnered with schools in New Jersey and South Africa.
- A group of ELHS students and their teachers are participating in a grant received by UMO. The Engineering Innovative Solutions to Storm Water Problems Through Diverse Community Participation Project empowers female and minority high school students and their teachers and communities, to create innovative local solutions to a pervasive environmental problem: storm water. Students and a teacher attended a 5-day Summer Storm Water Institute at UMO. They are now working with the Auburn Water Department collecting data and water samples that are sent to UMO every other month for analysis. High school teachers will be trained in the area of storm water, sensor technology, environmental science, and data management. The project will provide permanent lab equipment to the high school, e.g. spectrophotometers and water quality sensor packages.

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. An example of one of the projects funded follows:

Students tutored their peers after school at Auburn Middle School. They used white boards to practice math facts and spelling words and demonstrate concepts.

Highlights of grants received during 2013-14 are:

After School Academic Support and Enrichment

21st Century Community Learning Centers

Auburn has one of the longest-running 21st Century Community Learning Center (CLC) programs in Maine. Continuously funded exclusively by grants and program revenues since 1999, CLC programs served 689 students in the 2013-14 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 Continuation Grant, Year 1

The first year of this three-year continuation grant award from Maine's Department of Education's 21st Century Community Learning Center program benefited students in grades 4-8, through after-school programs at Auburn Middle, Sherwood Heights, and Walton Schools. Students from Merrill Hill attended a tutoring extension of the AMS program. Eighty percent of the 322 students served were academically low performing, 66% were low-income students, 23% qualified for special services, and 7% were English Language Learners.

After school programs were maintained four days a week at Auburn Middle and Sherwood Heights Schools and three days a week at Walton School. School-day teachers and educational technicians staffed the program; thirteen community volunteers aided weekly or for special events, including six students from Bates College who tutored at the middle school and two high school students who helped with the LEGO Robotics program 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. At Sherwood Heights, students also received high-quality language and cultural enrichment through a partnership with the Maine French Heritage Language Program. 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.

CLC District Grant, Year 5

The fifth 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. Seventy-eight percent of the 367 students served were academically low performing, 60% were low-income students, 19% qualified for special services, and 18% 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, 60 students graduated between July 1, 2013 and June 30, 2014 and 175 academic half-credits were earned. EL Connect, a program serving students in grades 9 & 10, worked with students on study skills, aspirations, community building, credit recovery, and homework completion. Both high school programs focused on mentoring, raising student aspirations, and post-secondary planning, in addition to achieving academic success in high school.

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 3-6 at Park Avenue and Washburn Schools and grades 9-12 at Edward Little High School starting in July 2014.

After school programs at six Auburn Schools have each received a \$500 mini-grant from Healthy Androscoggin through the Let's Go! After School Enhancement Program. Auburn Middle, Edward Little High, Park Avenue, Sherwood, Walton and Washburn Schools received this funding to purchase equipment and supplies that promote healthy eating and active living. Programs are engaging students in helping to choose items for purchase in the fall of 2014 so that they will be well used after school for this coming year and beyond.

Prevention & Treatment Programs

The Student Intervention and Reintegration Program (SIRP) targets ELHS and Franklin Alternative 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 make healthy decisions and reduce risk for problems. SIRP has been funded by grants from the State of Maine Department of Human Services for five years. This year the district is working collaboratively with Healthy Androscoggin (HA) to implement the SIRP program as well as a community marijuana prevention program. The programs are funded through a federal grant from the Substance Abuse and Mental Health Services Administration (SAMHSA) and were awarded to HA.

College Access

The MELMAC Foundation awarded a multi-year grant, Connecting Aspirations to a Plan, to support college access at Edward Little High School. The grant aids ELHS in increasing their rate of post-secondary enrollment and broadens the range of post secondary experiences through one-on-one mentoring, college visits, and other initiatives.

FAME awarded a college access grant to provide services to at-risk students at ELHS and Franklin. A coordinator and mentors provided individualized support to students and their families, assisting with the college admission/financial aid processes, helping complete FAFSAs, coordinating small group or individual campus visits, and maintaining ongoing contact with students.

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.

The Barbara Bush Foundation has funded the Teen Trendsetters Program which pairs teens at ELHS with 3rd grade students at Park Ave and Washburn that are about 6 months behind in reading. The teens are matched with their younger buddies and read to them at least one hour a week during the school year. Parents of the younger children agree to read to the child at home to reinforce skills. Younger children receive 15 take home books each year to encourage reading. In addition, the foundation provides curriculum, supplemental materials and professional development for teens and their advisors. The program typically sees about a year’s growth in elementary students skills.

Science Grants

The Maine Math & Science Alliance (MMSA) was awarded a three- year grant from the Maine Department of Education to work with 16 teachers in grades K-8 to integrate science, engineering and mathematics concepts and practices by engaging in design challenges. The district is participating in year two of the grant which provides professional development, access to online resources and experts in the engineering fields, networking with other schools sharing strategies and effective instructional approaches, and the development of exemplars of student work in engineering.

The American Chemical Society (ACS) funded Chemistry Through Agriculture to engage non-traditional students at ELHS in an in-depth study of hydroponics. Students will create and maintain a hydroponics system in the school’s greenhouse. Hydroponics is one of the fastest growing sectors of agriculture and is a cohesive pairing of chemistry and real world application.

Ninety students at EL will participate in living classroom experiences, which will provide them with a solid foundation in sustainable agriculture practices and gain an awareness of career/jobs in the agriculture field. Students will leave the traditional classroom often and demonstrate mastery of chemical standards through hands-on activities at the Auburn Land Lab, in the EL greenhouse, at the EL orchard and at local farms. Maine Agriculture In the Classroom funded the grant.

The Lewiston Auburn Children’s Foundation funded the Garden Buddies program. ELHS students helped younger students at Park Avenue to plan and design a garden, plant the garden and teach the students about the importance of agriculture and growing their own food.

Auburn Middle School (AMS) expanded their gardens and added more beds as well as a pallet garden for strawberries. A special education teacher and two science teachers headed the garden project. Some of the topics covered included; soil testing, sustainable agriculture, container gardening, carbon cycles, ecosystems and acid rain. Kitchen Gardeners International supported the project through its Sow It Forward grant.

Field Experiences

The Maine Arts Commission funded several field experiences for students through its Ticket to Ride grants.

- Two fourth grade social study classes at Walton went to the Maine State Museum. The trip brought history to life for these learners as they made arrowheads and relief rubbings as people did many years ago.
- Two teachers at Walton School took their classes to Old Fort Western. They participated in the educational program: 300 Years of Maine History: 1698-1919. Hands-on learning occurred at various locations at the site, including the dock, trading post, store, fort, and house

- The 2nd and 3rd grade team at Walton School went to the Public Theater to see a live puppet theatre performance of “The Princess and the Pea”.
- ELL students at the high school went to the Telling Room to write their stories in a memoir that was put into a book and a blog.
- Team Bradbury at AMS went to Bates Olin Arts Center as part of the 1000 Word Project.
- Students at AMS also visited the Bates College Museum of Art

The Maine Engineering Promotional Council funded a trip to the 2014 Engineering Expo at Orono. Students at Park Ave attended and participated in hands-on learning activities. Students at AMS visited the Challenger Learning Center where they participated in simulated space missions, observed the orbit of a comet and problem solved to identify space matter. The trip was funded through a grant from Wal-Mart.

Health and Physical Fitness Grants

A multi-year grant awarded to Community Clinical Services from the Maine Department of Health and Human Services and support from St. Mary’s Regional Medical Center provides primary care, preventive dental services, and mental health services to students at ELHS and AMS at our School-based Health Centers. The school-based health centers focus on promoting healthy lifestyles and indentifying illness early to help prevent more serious illness later on.

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.

A weight room at AMS was created where students feel comfortable, motivated, and exercise so they learn proper form at a young age. The key is to get students engaged in enjoyable activities, get their bodies moving and teach them activities they can participate in for the rest of their lives. The grant was funded by Lowe’s Toolbox for Education Fund.

Walton's Discovery Spaces will be an engaging natural outdoor learning and recreation site that challenges and stimulates children while teaching them about the natural world. The site is designed around a river theme and includes areas such as “Rainbow Rapids”, “Reading Island” and the “SS Walton” (a wooden boat-shape structure). There are play spaces to climb on and areas to engage in dramatic play and create language rich experiences. Discovery Spaces is funded through a Community Development Block Grant.

AMS students will set goals around their heart rates, record on a chart and regularly assess how they are doing. Students are able to measure if they are performing to their best ability and can work to improve their heart rate. The Lewiston and Auburn Children’s Foundation awarded a grant to fund this project.

Other Grant /Awards

The Lewiston and Auburn Children’s Foundation provided funds for the following:

- an iPad for support staff in the Guidance Office at ELHS to communicate with students, parents, and colleges
- a portable amplification system in a classroom at Sherwood Heights enabled students with auditory disorders to hear clearly and consistently and enhance their ability to hear instruction and learn.
- a camera to take photos of sporting events, activities, dances and award ceremonies for the AMS year book
- an introductory welding course at New England School of Metalworks for at-risk students at ELHS
- a bridge at AMS so students can access their outdoor classroom more easily

The Wal-Mart Foundation upgraded/replaced kitchen equipment at RETC/SOS in order for Deali’s (a student run business that provides lunches to staff throughout the district and City Hall) to operate more efficiently.

Private donor funds enabled the Music Department at AMS to purchase a cello.

Looking Ahead: Fiscal Year 2015 Goals

The City of Auburn worked with the City of Lewiston and the Lewiston Auburn Economic Growth Council (LAEGC) to redefine what services both cities wanted to receive and the future direction they wanted for LAEGC. A new director has been hired to run LAEGC and implement the plan that was drafted by the joint City Councils. Auburn will continue to work on downtown redevelopment, marketing the new industrial park and the mall area.

The City Manager and Department Directors will continue working to improve the Capital Improvement Program, by providing a ten-year projection of needed improvements with greater 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 and continuing to improve the program, performance based budgeting that was begun with the Fy15 budget process.

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 2014 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, 2014, 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, 2014, 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, 2013. This was the twenty first 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,

A handwritten signature in cursive script that reads "Jill M Eastman".

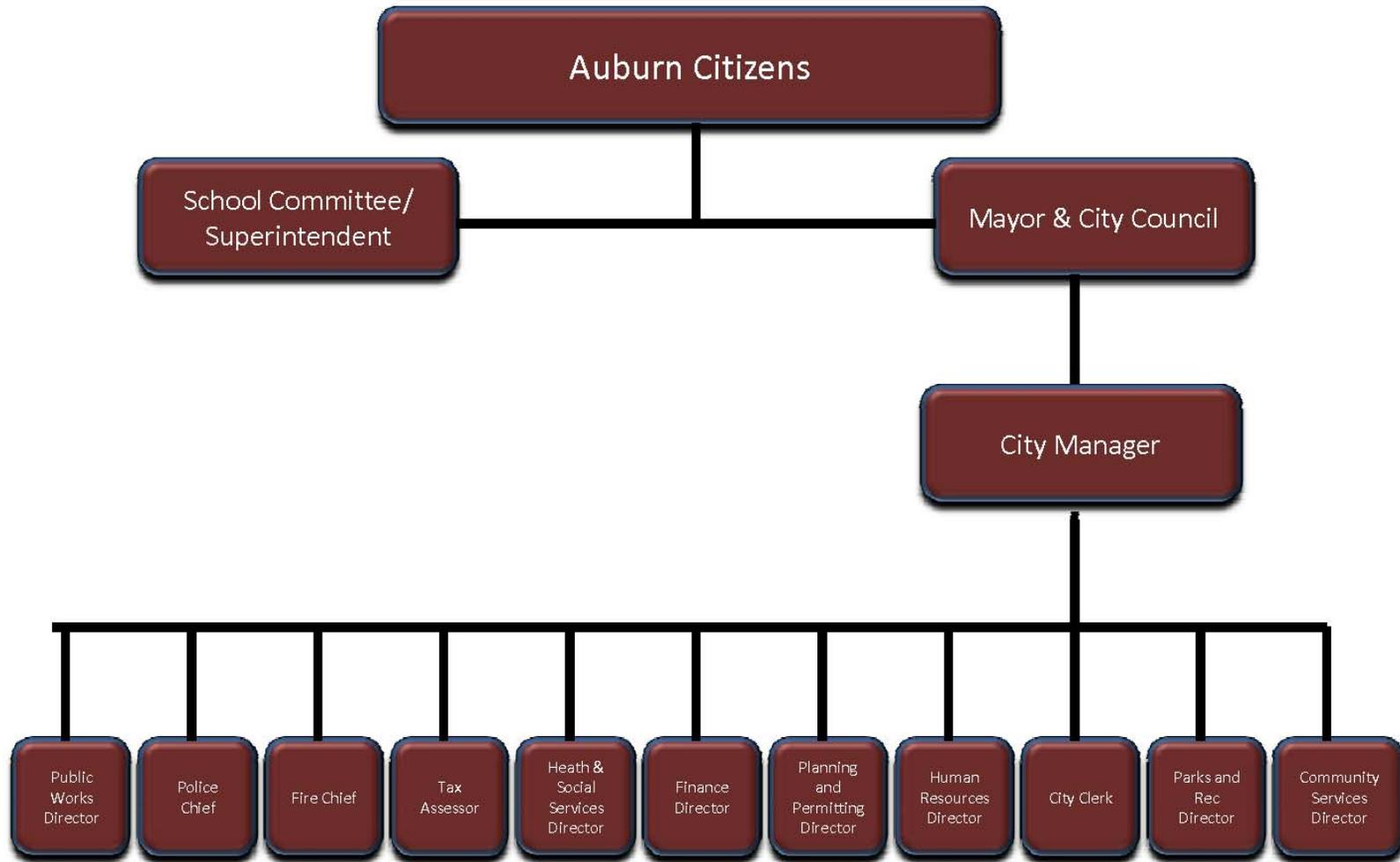
Jill M Eastman
Finance Director

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ORGANIZATIONAL CHART

2014

City of Auburn



CITY OF AUBURN, MAINE

LIST OF ELECTED AND APPOINTED OFFICIALS

June 30, 2014

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	Adam Lee
Council Member – Ward 5	Leroy G. Walker
Council Member – At Large	Belinda Gerry
Council Member – At Large	David C. Young
School Committee – Chair, Ward 4	Tracey Levesque
School Committee – Vice Chair, Ward 5	Larry Pelletier
School Committee – Ward 1	Vacant
School Committee – Ward 2	Bonnie J. Hayes
School Committee – Ward 3	Thomas Kendall
School Committee – At Large	Ron Potvin
School Committee – At Large	Laurie Tannenbaum
School Committee – Mayor’s Representative	Mary LaFontaine

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	Karen Scammon
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, 2014, 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, 2014, 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 basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

City Council
City of Auburn, Maine

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2014, 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* in considering the City of Auburn, Maine's internal control over financial reporting and compliance.



November 24, 2014
South Portland, Maine

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Management's Discussion and Analysis Fiscal Year Ended June 30, 2014

As management of the City of Auburn, Maine, we offer this narrative overview and analysis of the financial activities of the City of Auburn, Maine for the fiscal year ended June 30, 2014. 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 \$84,522,677 (*net position*).
- The City of Auburn's total net position decreased by \$1,156,491. This decrease is a direct result of: \$6 million reduction in cash and cash equivalents; \$1 million reduction in receivables offset by a \$7.7 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 \$2.7 million.
- As of the end of the current fiscal year, the City of Auburn's governmental funds reported combined ending fund balances of \$23,993,400, a decrease of \$4,669,566 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 \$9,464,102, or 13.6% of total General Fund expenditures (on a budgetary basis).
- The City of Auburn issued bonds totaling \$5,625,000 for its Capital Improvement Plan during the current fiscal year. The new issue included \$3.565 million to fund street, sidewalk, infrastructure and drainage improvements; \$1.455 million to fund School Department facilities and \$605 thousand 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; health, welfare and recreation; public works, including highways, streets, and solid waste disposal; other agencies; education; and interest on debt. The City has three business-type activities, the Ingersoll Ice Arena, the Norway Savings Bank Ice Arena and Centralized School Lunch. The government-wide financial statements can be found on pages 35-36 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 37-42 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, Norway Savings Bank 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 43-45 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 46-47 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 48-76 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 77 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 81-89 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 \$84,522,677 at the close of the most recent fiscal year.

City of Auburn's Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 29,866,066	\$ 33,702,153	\$ 600,770	\$ 634,699	\$ 30,466,836	\$ 34,336,852
Capital assets	121,890,406	120,832,594	548,461	708,368	122,438,867	121,540,962
Total assets	\$ 151,756,472	\$ 154,534,747	\$ 1,149,231	\$ 1,343,067	\$ 152,905,703	\$ 155,877,814
Long-term liabilities outstanding	54,903,540	57,731,633	-	-	54,903,540	57,731,633
Other liabilities	13,454,614	12,460,513	24,872	6,500	13,479,486	12,467,013
Total liabilities	\$ 68,358,154	\$ 70,192,146	\$ 24,872	\$ 6,500	\$ 68,383,026	\$ 70,198,646
Net investment in capital assets	67,831,558	61,542,514	548,461	708,368	68,380,019	62,250,882
Restricted	11,793,625	11,871,042	-	34,042	11,793,625	11,905,084
Unrestricted	3,773,135	10,929,045	575,898	594,157	4,349,033	11,523,202
Total net position	\$ 83,398,318	\$ 84,342,601	\$ 1,124,359	\$ 1,336,567	\$ 84,522,677	\$ 85,679,168

By far, the largest portion of the City of Auburn's net position (80.9% or \$68,380,019) 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. 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 (13.95%) represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted *net position* is \$4,349,033.

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

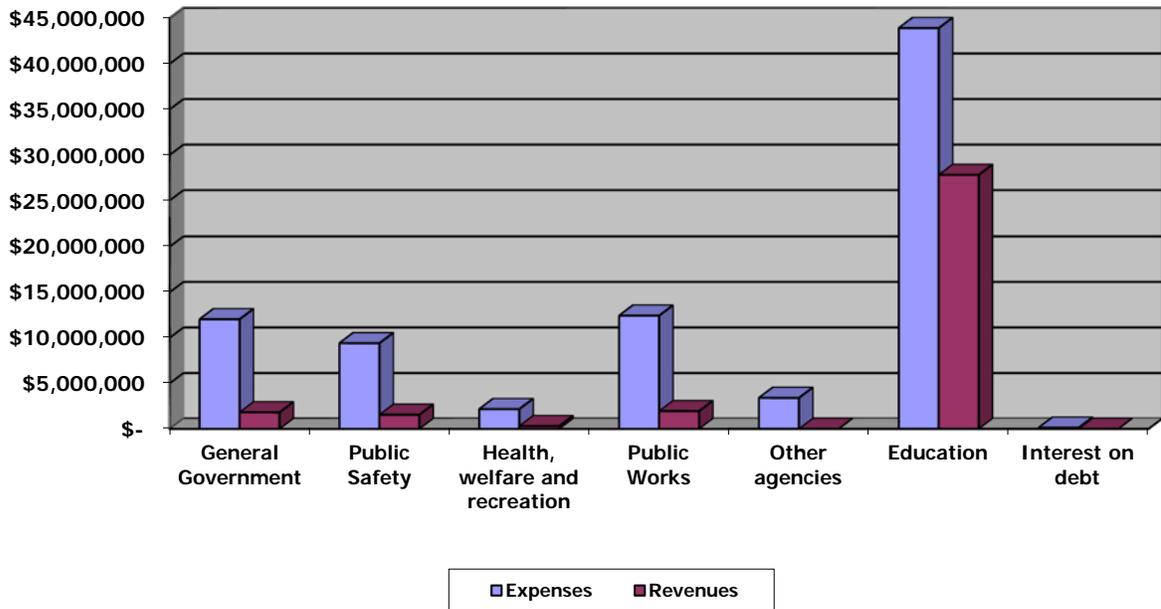
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 2,070,803	\$ 2,128,112	\$ 1,139,096	\$ 669,015	\$ 3,209,899	\$ 2,797,127
Operating grants and contributions	31,349,557	29,939,559	1,090,354	1,159,343	32,439,911	31,098,902
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property and other taxes	44,522,766	42,759,291	-	-	44,522,766	42,759,291
Grants and contributions not restricted to specific programs	4,336,314	4,330,113	-	-	4,336,314	4,330,113
Other	251,275	183,383	1,176	757	252,451	184,140
Total revenues	\$ 82,530,715	\$ 79,340,458	\$ 2,230,626	\$ 1,829,115	\$ 84,761,341	\$ 81,169,573
Expenses:						
General government	12,031,662	13,391,002	-	-	12,031,662	13,391,002
Public safety	9,404,183	8,468,689	-	-	9,404,183	8,468,689
Health, welfare and recreation	2,172,119	2,266,012	-	-	2,172,119	2,266,012
Public works	12,427,048	8,086,620	-	-	12,427,048	8,086,620
Other agencies	3,400,687	3,560,926	-	-	3,400,687	3,560,926
Education	43,917,231	41,810,979	-	-	43,917,231	41,810,979
Interest on debt	122,068	2,418,356	-	-	122,068	2,418,356
Ingersoll Ice Arena	-	-	604,369	490,593	604,369	490,593
Norway Savings Bank Arena	-	-	525,814	-	525,814	-
Centralized School Lunch	-	-	1,312,651	1,421,308	1,312,651	1,421,308
Total Expenses	\$ 83,474,998	\$ 80,002,584	\$ 2,442,834	\$ 1,911,901	\$ 85,917,832	\$ 81,914,485
Transfer in (out)	-	13,275	-	(13,275)	-	-
Change in net position	(944,283)	(648,851)	(212,208)	(96,061)	(1,156,491)	(744,912)
Net position-July 1	84,342,601	84,991,452	1,336,567	1,432,628	85,679,168	86,424,080
Net position - June 30	\$ 83,398,318	\$ 84,342,601	\$ 1,124,359	\$ 1,336,567	\$ 84,522,677	\$ 85,679,168

Governmental Activities

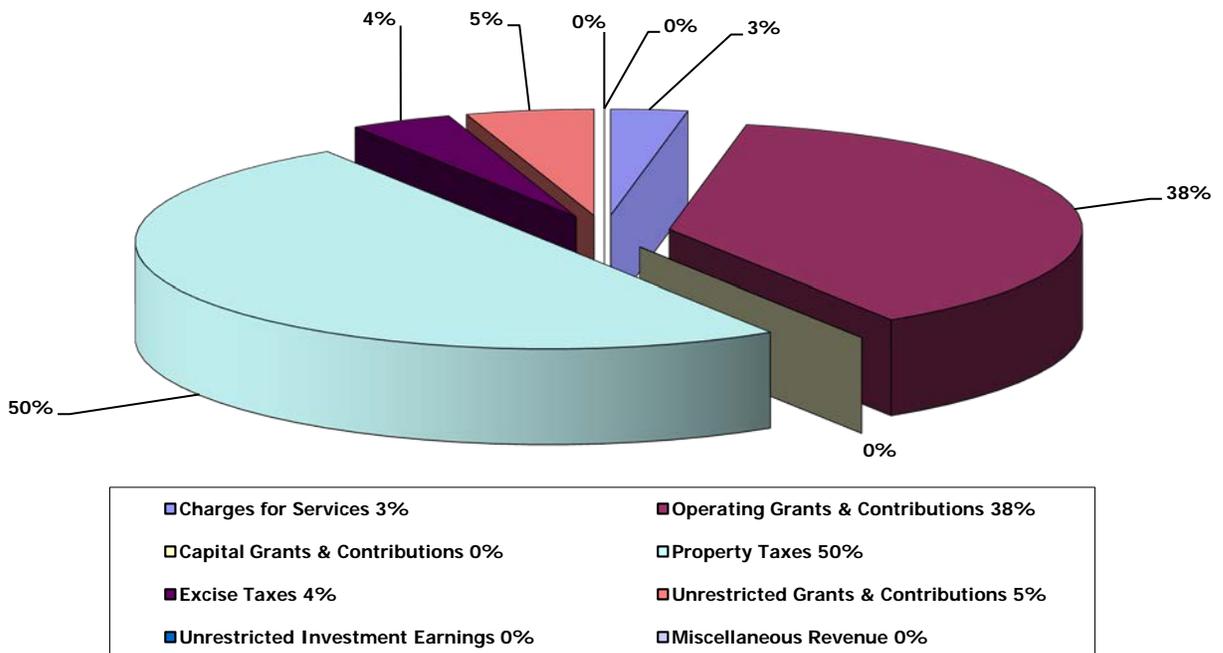
Governmental activities decreased the City of Auburn's net position by \$944,283, thereby accounting for 81.65% of the total reduction in the City's net position. Unclassified expenses have been reclassified in general government. Key elements of this decrease are as follows:

- Charges for services decreased by \$57,309 (2.7%). The decrease was attributed less fees collected and a decline in education's tuitions.
- Operating grants and contributions increased by \$1,409,998 (4.71%) due to a reduction in Community Development Block Grant Funding and an increase in Education Grants.
- Total expenses increased by \$3,472,414 (4.3%) with the bulk of the increase attributable to an increase in public works (\$4,340,428).

Expenses and Program Revenues - Governmental Activities For the Year Ending June 30, 2014



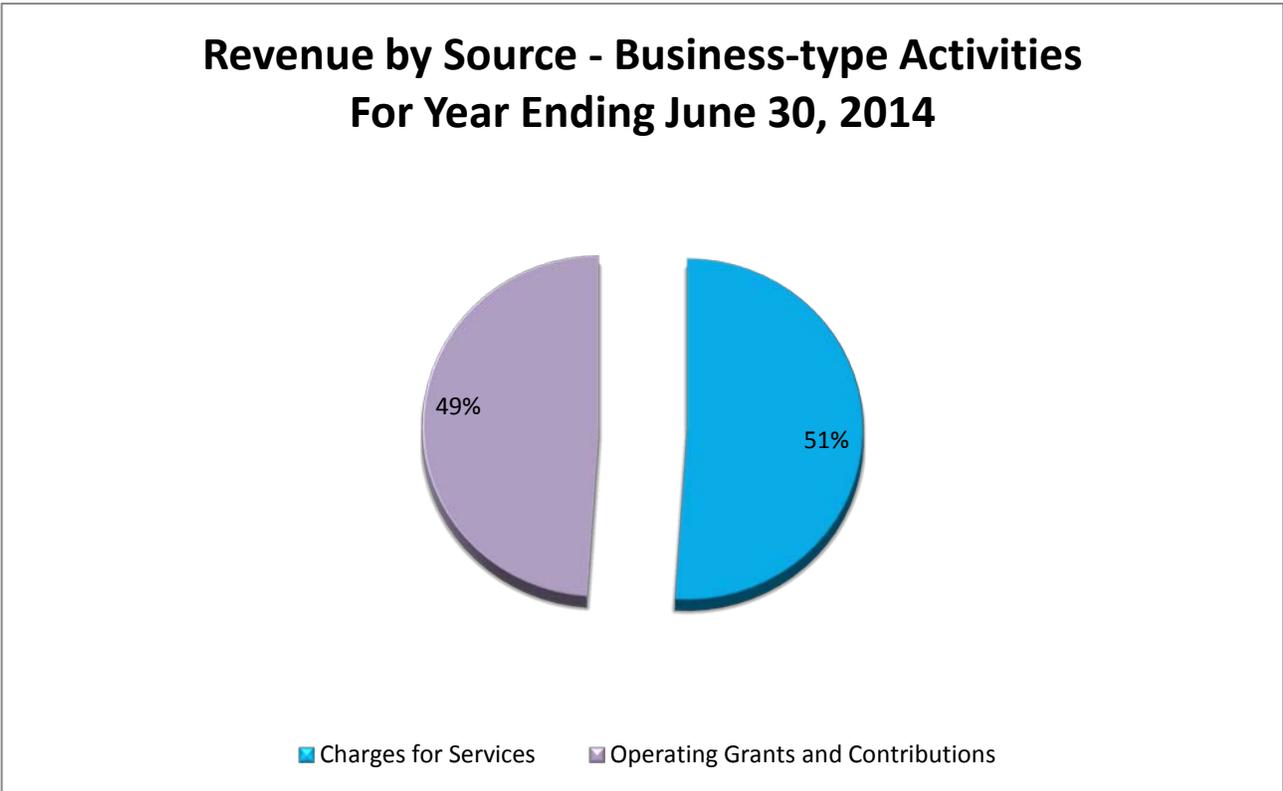
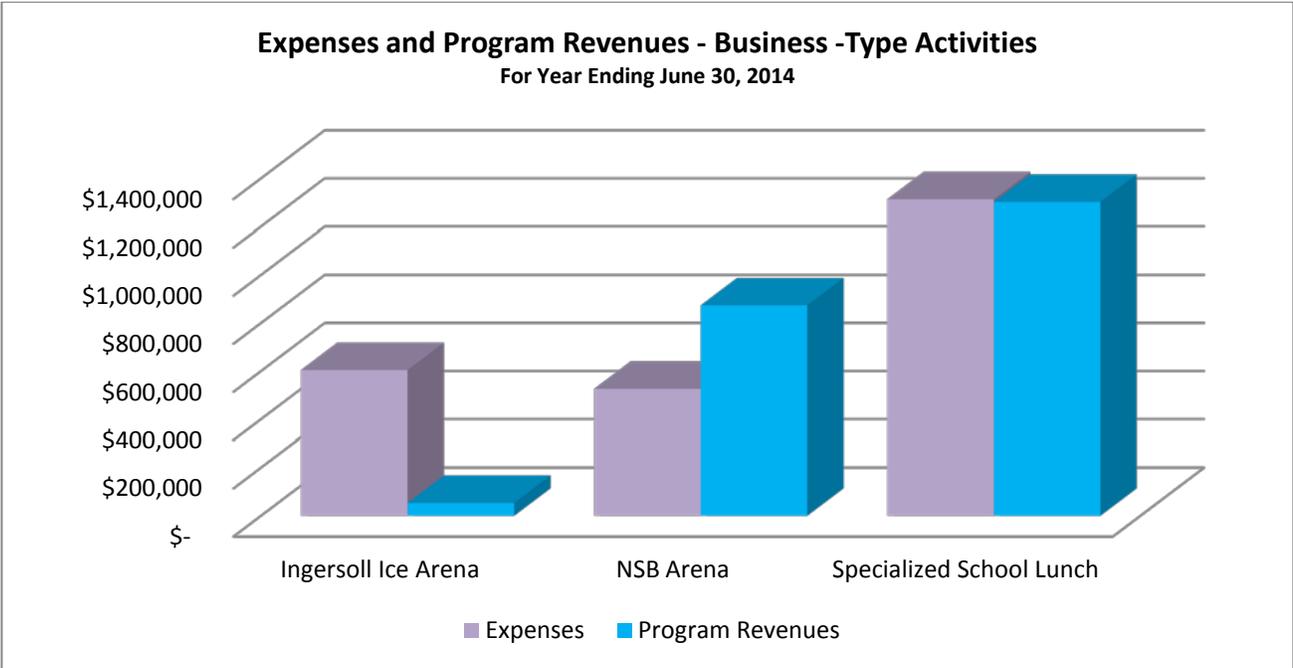
Revenues by Source - Governmental Activities For the Year Ended June 30, 2014



Business-type Activities

The City's three business-type activities, its Ingersoll Ice Arena, Norway Savings Bank Arena and Centralized School Lunch, decreased the City of Auburn's net position by \$212,208.

Revenues for business-type activities increased by \$401,511 or 22.00%. The Norway Savings Bank Arena was new this year and will replace Ingersoll Arena. Ingersoll Arena will be repurposed as an indoor turf facility during FY15.



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 \$23,993,400, a decrease of \$4,669,566, in comparison with the prior year. This total consists of: General Fund \$12,063,359; Community Development Programs Funds, \$4,355,077; Tax Increment Financing, \$752,441; Capital Projects Fund, \$5,400,034 and Other Governmental Funds, \$1,422,489. 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 \$8,651,216. 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 12.39% of the total General Fund expenditures (on a budgetary basis) at June 30, 2014. 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 \$141,330. The decrease was due to the timing of drawdowns and the reduction of grants receivable.

The Tax Increment Financing Fund fund balance decreased by \$828,057 due to an increase in capital improvement expenditures for infrastructure improvements.

The Capital Projects Fund fund balance decreased by \$2,247,566 primarily due to bond proceeds that were received during FY 2013 and spent during FY 2014.

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, Norway Savings Bank Arena and the Centralized School Lunch Program, amounted to \$575,898. The total decrease in net position was \$212,208.

General Fund Budgetary Highlights

There were no supplemental appropriations for the fiscal year ending June 30, 2014. Carry forward amounts from June 30, 2014 are reflected in the final budget in statement 6.

For the current fiscal year, the total revenue was above 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 \$316,383. Contributing factors to this decrease included:

- Motor vehicle excise taxes were above budgetary projections by \$326,082.
- Property taxes were above budgetary projections by \$246,701, due to an increased collection of prior year taxes
- State Revenue Sharing was above budgetary projections by \$34,374.
- Budgeted use of fund balance, to bring the total fund balance into compliance with the City's Fund Balance Policy.

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, 2014 amounts to \$122,438,867 (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 0.7 percent. For more detail, refer to Capital Assets in the Detail Notes for All Funds on Pages 57-58.

City of Auburn's Capital Assets						
(net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 7,489,841	\$ 7,489,841	\$ -	\$ -	\$ 7,489,841	\$ 7,489,841
Buildings and improvements	41,951,234	43,347,568	252,578	240,877	42,203,812	43,588,445
Equipment	1,319,943	1,221,155	291,264	458,914	1,611,207	1,680,069
Infrastructure	62,159,600	60,031,347	-	-	62,159,600	60,031,347
Construction in progress	5,536,128	5,041,731	-	-	5,536,128	5,041,731
Vehicles	3,433,660	3,700,952	4,619	8,577	3,438,279	3,709,529
Total	\$ 121,890,406	\$ 120,832,594	\$ 548,461	\$ 708,368	\$ 122,438,867	\$ 121,540,962

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 \$4,818,102; completion of South Main St. reconstruction totaling \$884,922; Helm Bridge project totaling \$291,084; various road reconstruction projects totaling \$878,889 for overall project expenditures of \$6,671,367 at fiscal year end.
- The Education Department funded building improvements in the following schools: Industry Ave Maintenance Garage (boiler conversion) totaling \$22,602; Edward Little High School (flooring and greenhouse construction) totaling \$20,365; Walton (new roof) totaling \$86,105; and Auburn Middle School (HVAC replacement) totaling \$1,242,380.
- Police department purchased two Ford Explorers at a total cost of \$48,870;
- Public Works heating system was replaced and converted to natural gas at a total cost of \$204,349.
- Parks and recreation replaced the heating system at Hasty Memorial Armory at the total cost of \$68,513.
- Fire department replaced a boiler and converted to natural gas for a total cost of \$71,758.

Long-term Debt

At the end of the current fiscal year, the City of Auburn had total general obligation bonded debt outstanding of \$56,826,591. 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 61-62.

City of Auburn's Outstanding Debt			
General Obligation Bonds			
Governmental Activities		Business-type Activities	
2014	2013	2014	2013
\$ 56,826,591	59,534,323	-	-

During the current fiscal year, the City of Auburn’s total bonded debt decreased by \$2,707,732. The City issued general obligation bonds totaling \$5,625,000 for the annual capital improvement program for the City, and School Department.

The City of Auburn maintained an “Aa3” rating from Moody’s on October 31, 2013 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 \$288,930,000 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 has made great progress over the last year. The most notable progress exhibited through Staff’s efforts to incorporate performance measurement in the budget. Performance measurement is a process that will utilize goals and benchmarks for budgeting. The process to implement can be time consuming and it is best if the approach and expectations are tied to a multi-year implementation. This is a learning process for staff, residents, and elected officials. Building understanding will allow for more support and value in the benefits.

The evolution of goals and initiatives continues. Learning that annual tasks or outcomes need to link to the overall goal or vision of the City is a process that will also take time. Using performance measurement will allow the City to determine its success. The struggle remains in a vision and unified voice by the Council. These proactive measures to make Auburn successful for the long-term are always connected to annual taxes. Understanding that the tax commitment of the City is the determining factor of higher and lower taxes will provide consistency to yearly budgets.

Moving forward, it appears that more forecasting for three, five, or ten years will allow a strategy to develop to meet our goals. The current budget adopted did a lot to look back at what had occurred over the last 25 years. As said by George Santayana, “Those who cannot remember the past are condemned to repeat it.” With high turnover in management and staff the 2014 – 2015 worked at defining data from our past to measure growth moving forward.

The goal for this year in developing a budget is to add the most recent year to the historical data and also report out the success and failures of the performance measures. As a City, we need to improve setting our goals and measures to determine success, but we also must begin the understanding of learning from our decisions by measuring the outcomes and adapting to increase results and become more efficient in services.

Economic Factors

The volatility of State Revenue Sharing and Aid to Education continues as it has for many years. Whether the City is viewed as a non-for-profit or a business, the unpredictable nature of the two largest revenue sources other than taxes is a concern. It is becoming necessary to consider the possibility that State Revenue Sharing may never return and eventually even be eliminated. Auburn and other large service centers must advocate at the State level that if our cities are not supported, our State will fail. Cities are built to create jobs and support them. Whether it is fire, police, roads, water, sewer, etc. the towns and cities of Maine must unite to support a greater, larger, State economy. Any model that leaves cities or towns out will fail. If all Revenue Sharing is lost and no changes are made to the system, Auburn will suffer from significant cuts and increases to local taxes.

The positive side of the loss in revenue is that Auburn has a long history of economic development that is beginning to reemerge from the recent recession. HARTT transportation is investing in the Kittyhawk Park to open a new facility with other lots available for development. Hobby Lobby is opening on a lot adjacent to Kohl's. Mechanic's Savings Bank has plans for a new facility on their current property on Minot Avenue. These 3 projects alone signal the resurgence of development for Auburn.

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, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,002,941	406,895	5,409,836
Investments	14,094,606	-	14,094,606
Receivables:			
Accounts, net of allowance	1,020,296	14,521	1,034,817
Intergovernmental	1,590,131	49,447	1,639,578
Taxes	2,064,263	-	2,064,263
Loans, net of allowance	5,990,632	-	5,990,632
Internal balances	(95,049)	95,049	-
Prepaid expenses	198,246	-	198,246
Inventories	-	34,858	34,858
Capital assets, not being depreciated	13,025,969	-	13,025,969
Capital assets, being depreciated, net	108,864,437	548,461	109,412,898
Total assets	151,756,472	1,149,231	152,905,703
LIABILITIES			
Accounts payable and other current liabilities	1,579,589	18,394	1,597,983
Accrued payroll and benefits payable	2,500,781	6,478	2,507,259
Noncurrent liabilities:			
Due within one year	9,374,244	-	9,374,244
Due in more than one year	54,903,540	-	54,903,540
Total liabilities	68,358,154	24,872	68,383,026
NET POSITION			
Net investment in capital assets	67,831,558	548,461	68,380,019
Restricted for:			
Nonexpendable:			
Long-term receivables	1,520,404	-	1,520,404
Principal	69,475	-	69,475
Tax Increment Financing districts	2,341,428	-	2,341,428
Other purposes:			
City Services	742,485	-	742,485
Education	2,571,512	-	2,571,512
Community Development Programs	4,355,077	-	4,355,077
Permanent Funds	193,244	-	193,244
Unrestricted	3,773,135	575,898	4,349,033
Total net position	\$ 83,398,318	1,124,359	84,522,677

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Statement of Activities
For the Year Ended June 30, 2014

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		Total	
					Governmental activities	Business-type activities		
Primary government:								
Governmental activities:								
General government	\$ 12,031,662	456,624	1,357,852	-	(10,217,186)	-	(10,217,186)	
Public safety	9,404,183	920,429	626,624	-	(7,857,130)	-	(7,857,130)	
Health, welfare and recreation	2,172,119	279,854	22,884	-	(1,869,381)	-	(1,869,381)	
Public works	12,427,048	1,549	1,946,233	-	(10,479,266)	-	(10,479,266)	
Other agencies	3,400,687	-	-	-	(3,400,687)	-	(3,400,687)	
Education	43,917,231	412,347	27,395,964	-	(16,108,920)	-	(16,108,920)	
Interest on debt	122,068	-	-	-	(122,068)	-	(122,068)	
Total governmental activities	83,474,998	2,070,803	31,349,557	-	(50,054,638)	-	(50,054,638)	
Business-type activities:								
Ingersoll Ice Arena	604,369	53,511	-	-	-	(550,858)	(550,858)	
Norway Savings Bank Ice Arena	525,814	873,741	-	-	-	347,927	347,927	
Centralized School Lunch	1,312,651	211,844	1,090,354	-	-	(10,453)	(10,453)	
Total business-type activities	2,442,834	1,139,096	1,090,354	-	-	(213,384)	(213,384)	
Total primary government	\$ 85,917,832	3,209,899	32,439,911	-	(50,054,638)	(213,384)	(50,268,022)	
General revenues, unrestricted:								
Property taxes, levied for general purposes					40,997,787	-	40,997,787	
Motor vehicle excise taxes					3,394,582	-	3,394,582	
Interest on delinquent taxes					130,397	-	130,397	
Grants and contributions not restricted to specific programs:								
State Revenue Sharing					1,683,844	-	1,683,844	
Homestead and BETE exemptions					1,981,614	-	1,981,614	
Other State aid					670,856	-	670,856	
Unrestricted investment earnings					2,829	1,176	4,005	
Miscellaneous revenues					248,446	-	248,446	
Total general revenues					49,110,355	1,176	49,111,531	
					Change in net position	(944,283)	(212,208)	(1,156,491)
					Net position, beginning of year	84,342,601	1,336,567	85,679,168
					Net position, end of year	\$ 83,398,318	1,124,359	84,522,677

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Balance Sheet
Governmental Funds
June 30, 2014

	General	Community Development Programs	Tax Increment Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 5,002,941	-	-	-	-	5,002,941
Investments	316,894	-	1,119,397	12,088,839	569,476	14,094,606
Receivables:						
Taxes	2,064,263	-	-	-	-	2,064,263
Accounts, net of allowance	818,048	3,475	-	-	198,773	1,020,296
Interfund receivables	8,116,581	-	-	-	373,544	8,490,125
Intergovernmental	-	518,505	-	-	1,071,626	1,590,131
Loans, net of allowance	431,257	4,038,971	-	-	1,520,404	5,990,632
Prepaid expenditures	198,246	-	-	-	-	198,246
Total assets	\$ 16,948,230	4,560,951	1,119,397	12,088,839	3,733,823	38,451,240
LIABILITIES						
Accounts payable	568,395	84,828	6,054	692,060	133,891	1,485,228
Accrued payroll and benefits payable	2,480,654	-	-	-	20,127	2,500,781
Escrow funds payable	43,526	50,835	-	-	-	94,361
Interfund payables	-	70,211	360,902	5,996,745	2,157,316	8,585,174
Total liabilities	3,092,575	205,874	366,956	6,688,805	2,311,334	12,665,544
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,792,296	-	-	-	-	1,792,296
Total deferred inflows of resources	1,792,296	-	-	-	-	1,792,296
FUND BALANCES						
Nonspendable - long-term receivables	431,257	4,038,971	-	-	1,520,404	5,990,632
Nonspendable - principal	-	-	-	-	69,475	69,475
Nonspendable - prepaid expenditures	198,246	-	-	-	-	198,246
Restricted	1,969,754	316,106	2,341,428	-	1,537,487	6,164,775
Committed	-	-	-	5,400,034	355,605	5,755,639
Assigned	812,886	-	-	-	-	812,886
Unassigned	8,651,216	-	(1,588,987)	-	(2,060,482)	5,001,747
Total fund balances	12,063,359	4,355,077	752,441	5,400,034	1,422,489	23,993,400
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,948,230	4,560,951	1,119,397	12,088,839	3,733,823	

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.	121,890,406
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,792,296
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	(57,321,488)
Unamortized debt premiums	(1,169,513)
Accrued compensated absences	(2,208,737)
Accrued self insurance liability	(469,022)
Other post employment benefits liability	(1,138,847)
City pension liability	(816,665)
Accrued landfill liability	(579,458)
Accrued interest on debt	(574,054)

Net position of governmental activities

\$ 83,398,318

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	General	Community Development Programs	Tax Increment Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 44,563,151	-	-	-	-	44,563,151
Intergovernmental	27,995,212	783,248	-	-	6,546,819	35,325,279
Licenses and permits	325,476	-	-	-	-	325,476
Charges for services	1,304,187	-	-	-	495,538	1,799,725
Other	326,044	113,794	-	41,919	119,842	601,599
Total revenues	74,514,070	897,042	-	41,919	7,162,199	82,615,230
Expenditures:						
Current:						
General government	8,528,776	1,038,372	1,430,257	-	365,388	11,362,793
Public safety	8,415,846	-	-	-	572,085	8,987,931
Health, welfare and recreation	1,669,587	-	-	-	267,817	1,937,404
Public works	4,706,164	-	-	-	2,905,653	7,611,817
Other agencies	3,400,687	-	-	-	-	3,400,687
Education	39,453,998	-	-	-	4,052,310	43,506,308
Unclassified	325,139	-	-	-	235	325,374
Capital outlay	-	-	438,380	8,101,430	-	8,539,810
Debt service	6,330,682	-	1,043,452	-	134,941	7,509,075
Total expenditures	72,830,879	1,038,372	2,912,089	8,101,430	8,298,429	93,181,199
Excess (deficiency) of revenues over (under) expenditures	1,683,191	(141,330)	(2,912,089)	(8,059,511)	(1,136,230)	(10,565,969)
Other financing sources (uses):						
General obligation bonds issued	-	-	-	5,625,000	-	5,625,000
Premium on issuance of debt	-	-	-	186,945	-	186,945
Proceeds from notes payable	84,458	-	-	-	-	84,458
Transfers to/from other funds	(2,084,032)	-	2,084,032	-	-	-
Total other financing sources (uses)	(1,999,574)	-	2,084,032	5,811,945	-	5,896,403
Net change in fund balances	(316,383)	(141,330)	(828,057)	(2,247,566)	(1,136,230)	(4,669,566)
Fund balances, beginning of year	12,379,742	4,496,407	1,580,498	7,647,600	2,558,719	28,662,966
Fund balances, end of year	\$ 12,063,359	4,355,077	752,441	5,400,034	1,422,489	23,993,400

See accompanying notes to financial statements.

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, 2014

Net change in fund balances - total governmental funds (from Statement 4) \$ (4,669,566)

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	7,417,706
Depreciation and losses on dispositions not reported in governmental funds	(6,359,894)

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. (40,385)

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	(5,709,458)
Principal payments on debt recorded as expenditures in governmental funds	8,426,811
Premium on issuance of debt	(186,945)
Amortization of bond premium	70,183
Amounts held in escrow	(22,152)

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	74,848
Self-insurance expenses	303,363
Other post employment benefits	(202,840)
City pension	(80,982)
Accrued landfill liability	(53,843)
Accrued interest on debt	88,871

Change in net position of governmental activities (see Statement 2) \$ (944,283)

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, 2014

	Budgeted Amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes:				
Real and personal property	\$ 40,791,471	\$ 40,791,471	41,038,172	246,701
Excise and registrations	3,068,500	3,068,500	3,394,582	326,082
Interest on delinquent taxes	140,000	140,000	130,397	(9,603)
Total taxes	43,999,971	43,999,971	44,563,151	563,180
Intergovernmental:				
State Revenue Sharing	1,649,470	1,649,470	1,683,844	34,374
School subsidy	20,137,028	20,137,028	20,137,029	1
Homestead	482,575	482,575	511,362	28,787
BETE	1,230,000	1,230,000	1,470,252	240,252
Other:				
School Department	306,246	306,246	393,903	87,657
Tax sharing/in lieu of	235,000	235,000	256,802	21,802
Municipal	641,102	641,102	670,856	29,754
Total intergovernmental	24,681,421	24,681,421	25,124,048	442,627
Other revenue:				
Licenses and permits	256,300	256,300	325,476	69,176
Charges for services:				
Municipal	937,390	937,390	888,645	(48,745)
School	466,572	466,572	365,622	(100,950)
Fines, forfeits and penalties	43,000	43,000	31,084	(11,916)
Interest:				
Municipal	22,000	22,000	1,965	(20,035)
Miscellaneous	135,000	135,000	248,446	113,446
Total other revenue	1,860,262	1,860,262	1,861,238	976
Total revenues	70,541,654	70,541,654	71,548,437	1,006,783

CITY OF AUBURN, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balances -- Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
General government:				
Mayor and Council	\$ 71,079	71,079	63,338	7,741
Economic Development	318,933	318,933	320,878	(1,945)
City Manager	238,903	238,903	252,517	(13,614)
Assessing	172,277	172,277	175,756	(3,479)
City Clerk	162,045	162,045	176,786	(14,741)
Finance	405,976	405,976	409,572	(3,596)
Human resources	139,566	141,017	132,091	8,926
Information Communication Technology	395,350	428,171	386,683	41,488
Engineering	280,188	283,525	253,159	30,366
Legal services	100,000	100,000	84,239	15,761
Planning and permitting	775,230	799,816	811,835	(12,019)
Facilities	715,667	719,791	609,456	110,335
Worker's compensation (transfer to reserve)	431,446	431,446	431,446	-
Benefits and wage increases	4,397,585	4,397,585	4,417,878	(20,293)
Total general government	8,604,245	8,670,564	8,525,634	144,930
Public safety:				
Fire	4,024,789	4,024,789	4,200,291	(175,502)
Police	3,589,583	3,631,559	3,613,476	18,083
Water and sewer	558,835	558,835	576,219	(17,384)
Total public safety	8,173,207	8,215,183	8,389,986	(174,803)
Health, welfare and recreation:				
Health and social services	83,557	83,557	83,171	386
Health and social services - public assistance	105,982	105,982	139,177	(33,195)
Library	946,737	946,737	936,987	9,750
Parks and recreation	567,334	583,798	510,252	73,546
Total health, welfare and recreation	1,703,610	1,720,074	1,669,587	50,487
Public works	4,730,432	4,910,919	4,703,896	207,023
Other agencies:				
County tax	2,029,513	2,029,513	2,029,512	1
Auburn-Lewiston Airport	105,000	105,000	105,000	-
Lewiston-Auburn Transit Committee	235,496	235,496	235,373	123
Lewiston-Auburn E911 Center	1,036,409	1,036,409	1,030,802	5,607
Total other agencies	3,406,418	3,406,418	3,400,687	5,731

CITY OF AUBURN, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balances -- Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Expenditures, continued:				
Education	\$ 37,128,028	37,128,028	36,498,376	629,652
Other appropriations:				
Tax sharing	270,000	270,000	256,525	13,475
Overlay/abatements	-	-	68,614	(68,614)
Debt service - principal	5,329,623	5,329,623	5,330,266	(643)
Debt service - interest and other	991,961	991,961	1,000,416	(8,455)
Emergency reserve	375,289	375,289	-	375,289
Total other appropriations	6,966,873	6,966,873	6,655,821	311,052
Total expenditures	70,712,813	71,018,059	69,843,987	1,174,072
Excess (deficiency) of revenues over (under) expenditures	(171,159)	(476,405)	1,704,450	2,180,855
Other financing sources (uses):				
Transfers in from other funds	520,000	520,000	500,000	(20,000)
Transfers to other funds	(2,555,723)	(2,555,723)	(2,584,032)	(28,309)
Budget use of surplus - City	1,350,000	1,350,000	-	(1,350,000)
Use of carryforwards - City	-	305,246	-	(305,246)
Budget use of surplus - School	856,882	856,882	-	(856,882)
Total other financing sources (uses)	171,159	476,405	(2,084,032)	(2,560,437)
Net change in fund balance - budgetary basis	-	-	(379,582)	(379,582)
To adjust to modified accrual basis:				
To reflect net change in reserves			63,199	
Net change in fund balance - GAAP basis			(316,383)	
Fund balance, beginning of year			12,379,742	
Fund balance, end of year			\$ 12,063,359	

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2014

Business-type Activities - Enterprise Funds				
	Ingersoll Ice Arena	NSB Ice Arena	Centralized School Lunch	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 249,645	200	157,050	406,895
Accounts receivable	-	-	14,521	14,521
Due from other governments	-	-	49,447	49,447
Interfund receivables	-	126,407	3,265	129,672
Inventory	-	-	34,858	34,858
Total current assets	249,645	126,607	259,141	635,393
Noncurrent assets:				
Capital assets:				
Buildings	672,279	35,905	-	708,184
Equipment	66,415	285,813	86,333	438,561
Vehicles	-	-	38,789	38,789
Land improvements	18,584	-	-	18,584
Less accumulated depreciation	(524,986)	(82,386)	(48,285)	(655,657)
Total noncurrent assets	232,292	239,332	76,837	548,461
Total assets	481,937	365,939	335,978	1,183,854
LIABILITIES				
Accounts payable	382	18,012	-	18,394
Accrued benefits payable	-	-	6,478	6,478
Interfund payables	34,623	-	-	34,623
Total liabilities	35,005	18,012	6,478	59,495
NET POSITION				
Net investment in capital assets	232,292	239,332	76,837	548,461
Unrestricted	214,640	108,595	252,663	575,898
Total net position	\$ 446,932	347,927	329,500	1,124,359

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, 2014

	Ingersoll Ice Arena	NSB Ice Arena	Centralized School Lunch	Totals
Operating revenues:				
Charges for services	\$ 53,511	873,741	211,844	1,139,096
Intergovernmental revenue	-	-	1,090,354	1,090,354
Total operating revenues	53,511	873,741	1,302,198	2,229,450
Operating expenses:				
Personnel	70,931	188,814	575,331	835,076
Food	-	-	624,505	624,505
Supplies	6,799	78,807	-	85,606
Utilities	59,918	104,231	-	164,149
Repairs and maintenance	27,630	2,387	85,030	115,047
Depreciation	30,379	26,386	8,904	65,669
Other expenses	3,717	125,189	18,881	147,787
Total operating expenses	199,374	525,814	1,312,651	2,037,839
Operating income (loss)	(145,863)	347,927	(10,453)	191,611
Nonoperating revenue (expense):				
Interest income	942	-	234	1,176
Loss on sale of equipment	(315,131)	-	-	(315,131)
Interest expense	(89,864)	-	-	(89,864)
Total nonoperating revenue (expense)	(404,053)	-	234	(403,819)
Change in net position	(549,916)	347,927	(10,219)	(212,208)
Net position, beginning of year	996,848	-	339,719	1,336,567
Net position, end of year	\$ 446,932	347,927	329,500	1,124,359

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, 2014

	Ingersoll Ice Arena	NSB Ice Arena	Centralized School Lunch	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 72,336	873,741	210,278	1,156,355
Cash received from federal and state grants	-	-	1,080,169	1,080,169
Cash paid to suppliers for goods and services	(104,182)	(292,602)	(732,424)	(1,129,208)
Cash paid to employees for services	(70,931)	(188,814)	(568,853)	(828,598)
Net cash provided by (used in) operating activities	(102,777)	392,325	(10,830)	278,718
Cash flows from noncapital financing activities:				
Interfund loans	139,492	(126,407)	-	13,085
Net cash provided by (used in) noncapital financing activities	139,492	(126,407)	-	13,085
Cash flows from capital and related financing activities:				
Sale (Purchase) of capital assets	52,600	(265,718)	(7,775)	(220,893)
Interest paid on general and limited revenue obligation bonds	(89,864)	-	-	(89,864)
Net cash used in capital and related financing activities	(37,264)	(265,718)	(7,775)	(310,757)
Cash flows from investing activities:				
Interest on investments	942	-	234	1,176
Net cash provided by investing activities	942	-	234	1,176
Net increase (decrease) in cash and cash equivalents	393	200	(18,371)	(17,978)
Cash and cash equivalents, July 1	249,252	-	175,421	424,673
Cash and cash equivalents, June 30	\$ 249,645	200	157,050	406,695
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	(145,863)	347,927	(10,453)	191,611
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	30,379	26,386	8,904	65,669
Changes in assets and liabilities:				
Accounts receivable	18,825	-	(1,566)	17,259
Due from other governments	-	-	(10,185)	(10,185)
Due from other funds	-	-	(3,192)	(3,192)
Inventory	-	-	(816)	(816)
Accounts payable	(6,118)	18,012	6,478	18,372
Accrued benefits payable	-	-	-	-
Total adjustments	43,086	44,398	(377)	87,107
Net cash provided by (used in) operating activities	\$ (102,777)	392,325	(10,830)	278,718

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

		Agency Fund	Private- purpose Trust Funds
ASSETS			
Cash and cash equivalents	\$	158,873	124,861
Total assets		158,873	124,861
LIABILITIES			
Accounts payable		-	15,992
Amounts held for others		158,873	-
Total liabilities		158,873	15,992
NET POSITION			
Held in trust	\$	-	108,869

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, 2014

	Private- purpose Trust Funds
<hr/>	
Additions:	
Investment income	\$ 4,038
Total additions	4,038
<hr/>	
Deductions:	
Current:	
Scholarships	6,379
Total deductions	6,379
<hr/>	
Change in net position	(2,341)
Net position, beginning of year	111,210
<hr/>	
Net position, end of year	\$ 108,869

See accompanying notes to financial statements.

CITY OF AUBURN, MAINE
Notes to the Financial Statements
June 30, 2014

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, 2014

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. *Ingersoll Ice Arena* was closed in December 2013 when a new dual sheet arena was opened.

The *Norway Savings Bank Arena* fund account for the activities of the Arena. The Arena operates a dual rink for residents, youth hockey organizations and school teams. *Norway Savings Bank Arena* was opened in November 2013.

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:

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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 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.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

- *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.
- *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.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, Continued

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 2014.

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, 2014, expenditures exceeded appropriation in the following general fund categories: Economic Development, \$1,945; City Manager, \$13,614; Assessing, \$3,479; City Clerk, \$14,741, Finance, \$3,596; Planning and Permitting, \$12,019, Benefits and wage increases, \$20,293; Fire, \$175,502; Water and Sewer, \$17,384; Health & Social Services-Public Assistance, \$33,195; Debt service – principal, \$643, Debt service – interest, \$8,455. In total, the City's expenditures were \$1,174,072 less than total appropriations.

C. Deficit Fund Equity

At June 30, 2014, the City had the following funds with deficit fund balances:

City Special Revenue	\$ 50,731	Maine DOT	101,092
HEAPP	4,075	Safe School Health	4,527
Underage Drinking	5,029	Energov Grant	1,724
Joint Land Use Grant	16,649	American Firefighters	10,509
Teen Driver Safety	108	EDI Grant	1,299,734
211 Fairview	566,304	TIF	1,588,987

Revenue to offset the 211 Fairview deficit is expected from a future property sale in fiscal year 2015 – 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 \$2,871,164 in 2014.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

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, 2014, the City deposits amounted to \$19,788,176 with bank balances of \$21,706,843. 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.

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, 2014, all the City's investments were in 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	\$ 19,097,547
Reported in proprietary funds	406,895
Reported in fiduciary funds	283,734
Total reported	\$ 19,788,176
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Disclosed as deposits (above)	\$ 5,693,570
Disclosed as investments (above)	14,094,606
Total reported	\$ 19,788,176

B. Receivables

Receivables as of June 30, 2014, 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>Enterprise Funds</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 2,064,263	-	-	-	2,064,263
Accounts	895,048	3,475	14,521	198,773	1,111,817
Loans	431,257	4,202,007	-	1,520,404	6,153,668
Intergovernmental	-	518,505	49,447	1,071,626	1,639,578
Gross receivables	3,390,568	4,723,987	63,968	2,790,803	10,969,326
Less: allowance for uncollectibles	(77,000)	(163,036)	-	-	(240,036)
Net total receivables	\$ 3,313,568	4,560,951	63,968	2,790,803	10,729,290

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

Property taxes levied during fiscal year 2014 are recorded as receivables. The receivables collected during the fiscal year ended June 30, 2014 and during the 1st 60 days of fiscal year 2015 are recognized as revenues in the Governmental Funds, in fiscal year 2014. Receivables of \$1,792,296, 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.

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 21, 2013 on the assessed values of real property as of April 1, 2013. Taxes were due September 25, 2013 and March 15, 2014. This assessed value of \$2,005,721,383 was 104% of the 2014 state valuation of \$1,926,200,000.

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 \$425,900 for the year ended June 30, 2014.

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, 2014 and 2013 levies:

	<u>2014</u>	<u>2013</u>
Valuation:		
Real property	\$1,823,040,083	1,820,465,334
Personal property	182,681,300	190,045,000
	<hr/>	<hr/>
Assessed value (less exempt properties)	2,005,721,383	2,010,510,334
Tax rate (per \$1,000)	20.43	19.59
	<hr/>	<hr/>
Commitment	40,976,888	39,385,897
Supplemental taxes assessed	10,542	69,660
	<hr/>	<hr/>
	40,987,430	39,455,557
Less:		
Collections and abatements	39,889,671	38,386,284
	<hr/>	<hr/>
Receivable at June 30	\$ 1,097,759	1,069,273
	<hr/>	<hr/>
Due date(s)	9/25/13	9/15/12
	3/15/14	3/15/13
	<hr/>	<hr/>
Interest rate charged on delinquent taxes	7.0%	7.0%
Collection rate	97.3%	97.3%

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

D. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance June 30, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2014</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,489,841	-	-	7,489,841
Construction in progress	5,041,731	3,638,052	3,143,655	5,536,128
Total capital assets, not being depreciated	12,531,572	3,638,052	3,143,655	13,025,969
Capital assets, being depreciated:				
Buildings and building improvements	74,783,919	497,104	-	75,281,023
Equipment	5,114,791	432,802	-	5,547,593
Vehicles	9,857,534	498,042	388,603	9,966,973
Infrastructure	90,774,446	5,495,361	-	96,269,807
Total capital assets being depreciated	180,530,690	6,923,309	388,603	187,065,396
Less accumulated depreciation for:				
Buildings and building improvements	31,436,351	1,893,438	-	33,329,789
Equipment	3,893,636	334,014	-	4,227,650
Vehicles	6,156,582	753,221	376,490	6,533,313
Infrastructure	30,743,099	3,367,108	-	34,110,207
Total accumulated depreciation	72,229,668	6,347,781	376,490	78,200,959
Total capital assets being depreciated, net	108,301,022	575,528	12,113	108,864,437
Governmental activities capital assets, net	\$ 120,832,594	4,213,580	3,155,768	121,890,406

	Balance June 30, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2014</u>
Business-type activities:				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 18,584	-	-	18,584
Buildings and building improvements	672,279	35,905	-	708,184
Equipment	905,469	237,588	704,496	438,561
Vehicles	38,789	-	-	38,789
Total capital assets being depreciated	1,635,121	273,493	704,496	1,204,118
Less accumulated depreciation for:				
Improvements other than buildings	18,584	-	-	18,584
Buildings and building improvements	431,402	24,204	-	455,606
Equipment	446,555	37,507	336,765	147,297
Vehicles	30,212	3,958	-	34,170
Total accumulated depreciation	926,753	65,669	336,765	655,657
Total capital assets being depreciated, net	708,368	207,824	367,731	548,461
Business-type activities capital assets, net	\$ 708,368	207,824	367,731	548,461

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

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

Governmental activities:	
General government	\$ 514,247
Public safety	416,252
Public works, including depreciation of general infrastructure assets	3,639,284
Health, welfare and recreation	234,715
Education	1,543,283

Total depreciation expense – governmental activities \$ 6,347,781

Business-type activities:	
Ingersoll Ice Arena	\$ 30,379
Norway Savings Bank Ice Arena	26,386
Centralized School Lunch	8,904

Total depreciation expense – business-type activities \$ 65,669

E. Tax Increment Financing Districts

The City currently has seventeen tax increment financing (TIF) districts, eleven of which were active during the year ended June 30, 2014. Two of the seventeen districts never became active, and four have expired, leaving eleven active TIF districts (numbers 4 – 17 below, less #5, #7, #11 and #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. 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 2014, \$1,216,206 was captured, of which \$790,534 was recorded in the General Fund and \$425,672 was recorded in the TIF Fund. During 2014, \$1,216,206 was expended, of which \$790,534 was expended in the General Fund and \$425,672 was expended in the TIF Fund.

#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 2014, \$179,719 was captured, of which \$107,832 was recorded in the General Fund and \$71,887 was recorded in the TIF Fund. During 2014, \$571,887 was expended, of which \$500,000 was expended in the General Fund and \$71,887 was expended in the TIF Fund.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

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 2014, \$76,190 was captured, of which \$45,714 was recorded in the General Fund and \$30,476 was recorded in the TIF Fund. During 2014, \$76,190 was expended, of which \$45,714 was expended in the General Fund and \$30,476 was expended in the TIF Fund.

#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 2014, \$351,161 was captured and recorded in the TIF Fund and \$810,113 was expended in the TIF Fund.

#10 The Downtown Area - This TIF was established in 2002, and encompasses 119.31 acres. The original value was \$80,676,600. 100% of the tax revenue associated with increased value within the TIF can be captured. During 2014, \$706,081 was captured and recorded in the TIF Fund, \$500,000 was transferred to the General Fund and \$494,556 was expended in the TIF Fund.

#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 2014, \$139,049 was captured and recorded in the TIF Fund and \$177,163 was expended in the TIF Fund.

#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 2014, \$302,991 was captured and recorded in the TIF Fund and \$127,256 was expended in the TIF Fun.

#14 & #15 Auburn Mall - This TIF was established in 2005 and encompasses 47.44 acres. The original value was \$12,719,900. 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 2014, \$576,318 was captured, of which \$76,362 was recorded in the General Fund and \$499,956 was recorded in the TIF Fund. During 2014, \$1,158,168 was expended, of which \$439,961 was expended in the General Fund and \$718,207 was expended in the TIF Fund.

#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 2014, \$45,491 was captured, of which \$18,196 was recorded in the General Fund and \$27,295 was recorded in the TIF Fund. During 2014, \$45,491 was expended, of which \$18,196 was expended in the General Fund and \$27,295 was expended in the TIF Fund.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

#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 2014, \$73,660 was captured, of which \$44,196 was recorded in the General Fund and \$29,464 was recorded in the TIF Fund. During 2014, \$73,660 was expended, of which \$44,196 was expended in the General Fund and \$29,464 was expended in the TIF Fund

F. Interfund Receivables and Payables and Transfers

The composition of interfund balances as of June 30, 2014 is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 8,116,581	-	500,000	2,584,032
Community Dev. Programs	-	70,211	-	-
Capital Projects	-	5,996,745	-	-
Tax Incrementing Financing	-	360,902	2,584,032	500,000
Other Governmental Funds	373,544	2,157,316	-	-
Enterprise Fund:				
Ingersoll Ice Arena	-	34,623	-	-
Norway Savings Bank Ice Arena	126,407	-	-	-
Centralized School Lunch	3,265	-	-	-
Totals	\$ 8,619,797	8,619,797	3,084,032	3,084,032

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, 2014:

	<u>Funding Source</u>	<u>Total Contract</u>	<u>Balance as of June 30, 2014</u>
2014 Paving	Capital Projects Fund	\$ 717,800	286,791
2014 Reconstruction	Capital Projects Fund	731,380	473,265
Industrial Park	EDA Grant	2,185,000	908,236
Parking Lot Hampshire St	CDBG Grant	69,756	22,756
MPI Projects	MDOT Grant	989,065	980,140
Park Ave/Mt Auburn Intersection	MDOT Grant	442,500	224,641
Park Ave Phase II	MDOT Grant	979,500	922,225

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

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	\$ 292,886
Special revenue funds	2,551,030
Capital project funds	<u>3,007,455</u>
Total	<u>\$ 5,851,371</u>

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 November 12, 2013, General Obligation Bonds totaling \$5,625,000 were issued and dedicated to 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, 2014. 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%	1,260,000
General Obligation Bonds	04/30/02	6,000,000	11/01/22	3.05%-5.25%	2,700,000
General Obligation Bonds	10/31/02	8,200,000	11/01/22	2.031%-5.031%	3,690,000
MMWAC Bonding	09/11/04	11,950,000	11/01/14	4.00%	200,000
General Obligation Bonds	09/15/04	8,180,000	09/01/24	4.00%-4.25%	815,000
General Obligation Bonds	10/18/05	15,281,000	09/01/25	4.00%-4.50%	2,545,000
General Obligation Bonds	11/01/06	13,000,000	09/01/16	4.00%-4.25%	7,160,000
General Obligation Bonds	12/01/07	6,000,000	09/01/17	3.47%	2,400,000
General Obligation Bonds	10/15/08	6,430,000	09/01/18	3.65%	3,205,000
QZAB	12/11/10	1,000,000	12/11/19	0.40%	600,000
General Obligation Bonds	10/15/09	5,500,000	09/01/19	3.00%	3,300,000
General Obligation Bonds	11/01/10	7,900,000	09/01/20	2.00%-2.50%	5,530,000
General Obligation Bonds	11/01/11	4,500,000	09/01/21	2.00%-2.75%	3,600,000
QZAB	07/13/12	1,057,323	07/13/22	4.40%	951,591
General Obligation Bonds	09/27/12	13,835,000	09/01/27	2.00%-4.50%	13,245,000
General Obligation Bonds	11/19/13	5,625,000	09/01/27	2.00%-3.00%	<u>5,625,000</u>
Bonds payable					<u>56,826,591</u>

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

Notes:

School Revolving Loan	08/11/05	\$ 704,970	08/11/15	0.00%	99,244
School Revolving Loan	12/29/10	444,565	07/01/20	0.00%	311,195
School Revolving Loan	09/13/13	188,313	09/13/18	0.00%	84,458
<u>Notes payable</u>					<u>494,897</u>

Total bonds and notes payable \$ 57,321,488

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

Year Ending <u>June 30,</u>	<u>Bonds Payable</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 8,455,732	1,755,699	110,970	-
2016	7,810,732	1,496,195	110,970	-
2017	7,345,732	1,239,702	61,348	-
2018	6,470,732	1,025,191	61,348	-
2019	5,785,732	831,146	61,348	-
2020-2024	18,207,931	1,766,613	88,913	-
2025-2029	2,750,000	131,891	-	-
Total	\$ 56,826,591	8,246,437	494,897	-

For the year ended June 30, 2014, interest expense of the General Fund was \$1,000,416.

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, 2014, the statutory limit for the City was \$288,930,000. The City's outstanding long-term debt of \$56,826,591 at June 30, 2014 was \$232,103,409 less than the statutory limit.

Changes in General Long-term Liabilities. Long-term liability activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable					
General obligation bonds	\$ 59,534,323	5,625,000	8,332,732	56,826,591	8,455,732
Premium	1,052,751	186,945	70,183	1,169,513	82,646
Total bonds payable	60,587,074	5,811,945	8,402,915	57,996,104	8,538,378
Notes payable	504,518	84,458	94,079	494,897	110,970
Accrued compensated absences	2,283,585	-	74,848	2,208,737	74,848
Other post employment benefits	936,007	202,840	-	1,138,847	-
Accrued self-insurance liability	772,385	-	303,363	469,022	-
Net pension obligation:					
City pension plan	735,683	80,982	-	816,665	-
Landfill postclosure care costs	525,615	53,843	-	579,458	75,994
Accrued interest on debt	662,925	-	88,871	574,054	574,054
Governmental activity long-term liabilities	\$ 67,007,792	6,234,068	8,964,076	64,277,784	9,374,244

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

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, 2014, fund balances components consisted of the following:

	General <u>Fund</u>	Other Governmental <u>Funds</u>	<u>Total</u>
Nonspendable:			
Prepaid expenditures	\$ 198,246	-	198,246
Long-term receivables	431,257	5,559,375	5,990,632
Principal for permanent funds	-	69,475	69,475
<u>Total nonspendable</u>	<u>629,503</u>	<u>5,628,850</u>	<u>6,258,353</u>
Restricted:			
Education	1,969,754	601,758	2,571,512
City Special Revenue	-	742,485	742,485
Community Development Programs	-	316,106	316,106
Tax Increment Financing	-	2,341,428	2,341,428
Permanent funds	-	193,244	193,244
<u>Total restricted</u>	<u>1,969,754</u>	<u>4,195,021</u>	<u>6,164,775</u>
Committed:			
Parking services	-	51,587	51,587
Parks and recreation	-	304,018	304,018
Capital projects	-	5,400,034	5,400,034
<u>Total committed</u>	<u>-</u>	<u>5,755,639</u>	<u>5,755,639</u>
Assigned:			
Reserves	50,978	-	50,978
Self insurance	469,022	-	469,022
Encumbrances	292,886	-	292,886
<u>Total assigned</u>	<u>812,886</u>	<u>-</u>	<u>812,886</u>
<u>Unassigned</u>	<u>8,651,216</u>	<u>(3,649,469)</u>	<u>5,001,747</u>
<u>Total fund balance</u>	<u>\$ 12,063,359</u>	<u>11,930,041</u>	<u>23,993,400</u>

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 position (Statement 1).

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

III. DETAILED NOTES ON ALL FUNDS, Continued

The \$579,458 reported as landfill postclosure care liability at June 30, 2014, represents the estimated liability for postclosure care costs at that date. The cost is comprised of \$114,000 for post closure care costs (12 years) for a brush landfill that stopped accepting debris during fiscal year 1996. The additional cost of \$465,458 represents the estimated future postclosure care cost (7 years) of a previously closed ash landfill.

The estimated total current cost of landfill postclosure care of \$579,458 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, 2014. 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, 2014:

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 200,091,365	\$ 1,204,118
Accumulated depreciation	(78,200,959)	(655,657)
Bonds payable	(56,826,591)	-
Notes payable	(494,897)	-
Unspent bond proceeds	4,274,942	-
Unamortized debt premium	(1,169,513)	-
Non capital related		
Unamortized debt premium	157,211	-
Total net investment in		
capital assets	\$ 67,831,558	\$ 548,461

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, 2014.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

IV. OTHER INFORMATION, Continued

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 \$469,022 at June 30, 2014.

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 \$469,022 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>2014</u>	Fiscal Year <u>2013</u>
Unpaid claims as of July 1	\$ 772,385	805,204
Incurred claims (including claims incurred but not reported as of June 30)	3,725	294,586
<u>Total claim payments</u>	<u>307,088</u>	<u>327,405</u>
Current claims liability	21,229	17,270
<u>Long-term claims liability</u>	<u>447,793</u>	<u>755,115</u>
<u>Total unpaid claims liability</u>	<u>\$ 469,022</u>	<u>772,385</u>

The City assigns a portion of its General Fund fund balance for both workers compensation and a reserve for unemployment. This amounted totaled \$469,022 at June 30, 2014.

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, 2014

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, 2014, the City of Auburn contributed \$105,000 for airport operations.

The following is selected information for the years ending June 30, 2014 and June 30, 2013:

	June 30, <u>2014</u>	June 30, <u>2013</u>
Total assets	\$ 8,462,728	\$ 9,081,302
Total liabilities	74,929	61,538
Net position	8,387,799	9,019,764
Change in net position	(631,965)	(273,980)

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, 2014, the Airport had total revenues of \$1,410,371 and expenditures of \$2,042,336, including depreciation of \$537,472.

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, 2014

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, 2014, the City of Auburn did not contribute to the Growth Council.

The following is selected 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	\$ 1,928,143	\$ 2,354,608
Total liabilities	1,471,563	1,866,872
Net assets	456,580	487,736
Change in net assets	(31,156)	(43,855)

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, 2013, revenues totaled \$570,628 while total expenditures amounted to \$601,784.

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, 2014, the City of Auburn contributed \$235,373 for operating expenses.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

IV. OTHER INFORMATION, Continued

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

	September 30, <u>2013</u>	September 30, <u>2012</u>
Total assets	\$ 2,164,692	\$ 2,314,385
Total liabilities	661,446	645,720
Net assets	1,503,246	1,668,665
Change in net assets	(165,419)	(393,468)

Total revenues for the year ended September 30, 2013 were \$1,603,670; expenditures were \$1,769,089, including depreciation on contributed assets of \$220,784.

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, 2014, the City of Auburn contributed \$1,030,802.

The following is selected financial information for the years ending June 30, 2014 and June 30, 2013 (the latest information available):

	June 30, <u>2014</u>	June 30, <u>2013</u>
Total assets and other debits	\$ 1,026,833	\$ 670,683
Total liabilities and other credits	549,941	315,119
Net position and other credits	476,892	355,564
Change in net position and other credits	121,328	(92,050)

Total revenues for the year ended June 30, 2014 were \$2,221,079; expenditures were \$2,099,751. 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, 2014

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, 2013 and June 30, 2012 (the latest information available):

	<u>2013</u>	<u>2012</u>
Total assets	\$ 17,116,117	\$ 18,373,730
Total liabilities	352,547	361,455
Members' equity	16,763,570	18,012,275
Operating revenue	6,270,326	6,247,540
Operating expenses	5,894,444	5,690,568
Depreciation and amortization	1,658,520	1,665,764
Other expenses	26,391	-
Non operating revenue	60,324	66,967
Net income before depreciation and amortization	375,882	556,972
Net change in members equity	(1,248,705)	(1,041,825)

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 October 30, 2014, the City of Auburn issued \$6,800,000 of non-taxable General Obligation Bonds for the Fiscal Year 2015 Capital Improvements. The interest rate on the bonds range from 2.00 – 4.00 percent and the maturity date is September 1, 2024.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

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, 2014, is 6.5% of covered payroll for the regular plan and 7.9% 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, 2014, 2013, and 2012, \$714,403, \$622,065, and \$485,427, 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, 2014

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

Contributions paid by the State to the plan for the years ending June 30, 2014, 2013, and 2012 were \$2,871,164, \$3,110,952, and \$2,992,015, 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, 2014

IV. OTHER INFORMATION, Continued

During the year, the City's required and actual contributions amounted to \$158,085, which was 5.4% of its current-year covered payroll. The covered payroll amounted to \$2,879,327. Employees' required contributions amounted to \$131,740, which was 4.6% 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, 2014, the plan consisted of 13 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, 2014, were as follows:

Interest on net pension obligation	\$ 37,899
Differences between expected and actual experience	47,849
<u>Changes of assumptions, including discount rate</u>	<u>47,862</u>
Annual pension cost	133,610
<u>Contributions made</u>	<u>(149,845)</u>
Increase (decrease) in net pension obligation	(16,235)
<u>Net pension obligation beginning of year</u>	<u>832,900</u>
<u>Net pension obligation end of year</u>	<u>\$ 816,665</u>

The annual required contribution for the current year was determined as part of the July 1, 2014 actuarial valuation using the Entry Age Normal Cost Method. The actuarial assumptions included (a) 3.50% discount rate 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, 2014 was 9 years.

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

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>
2012	\$ 91,702	183%	861,133
2013	106,240	147%	832,900
2014	133,610	112%	816,665

Schedule of Employer Contributions

<u>Fiscal Year End</u>	Actuarial Required Contribution <u>(ARC)</u>	Percentage of ARC <u>Contributed</u>
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%
6/30/2014	149,845	100%

Funded status and funding progress. As of July 1, 2014, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 816,665
<u>Actuarial value of plan assets</u>	<u>-</u>
<u>Unfunded actuarial accrued liability (UAAL)</u>	<u>\$ 816,665</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, 2014

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:

Discount Rate	3.50% per year
Investment Rate of Return	N/A
Retirement Age	All members are currently receiving benefits
Mortality	RP2000 Mortality Tables for Male and Female Retirees static projected to 2014 and fully projected thereafter
Disabled Mortality	None
Marriage Assumptions	None
Cost of living adjustments	3.00%

Other Post Employment Benefits

GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)*, 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, 2014

IV. OTHER INFORMATION, Continued

The following table represents the OPEB costs for the FY 2014, 2013, 2012, 2011, 2010, and 2009 and the annual required contribution:

	FY 2014	FY 2013	FY 2012	FY2011	FY2010	FY2009
Normal Cost	\$ 77,550	77,550	56,128	56,128	38,217	38,217
Amortization of Unfunded	196,031	196,031	217,081	217,081	163,649	163,649
Interest	42,858	34,550	25,991	17,281	10,035	3,997
Adjustment to ARC	(54,129)	(42,118)	(29,754)	(17,161)	(8,729)	-
Annual Required Contribution	<u>262,310</u>	<u>266,013</u>	<u>269,446</u>	<u>273,329</u>	<u>203,172</u>	<u>205,863</u>
Contributions Made	(59,470)	(58,309)	(55,650)	(55,571)	(57,360)	(54,926)
Increase in Net OPEB	<u>202,840</u>	<u>207,704</u>	<u>213,796</u>	<u>217,758</u>	<u>145,812</u>	<u>150,937</u>
Net OPEB Obligation – beginning of year	<u>936,007</u>	<u>728,303</u>	<u>514,507</u>	<u>296,749</u>	<u>150,937</u>	<u>-</u>
Net OPEB Obligation - end of year	<u>\$ 1,138,847</u>	<u>\$ 936,007</u>	<u>728,303</u>	<u>514,507</u>	<u>296,749</u>	<u>150,937</u>

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, 2014 and the five 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
June 30, 2014	262,310	22.67%	1,138,847

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, 2014 and three preceding years are as follows:

	FY 2014	FY 2013	FY2012
Actuarial accrued liability	\$ 3,525,364	\$ 3,525,364	3,903,927
Plan assets	-	-	-
Unfunded actuarial accrued liability	<u>\$ 3,525,364</u>	<u>3,525,364</u>	<u>3,903,927</u>
Funded ratio	0%	0%	0%
Covered payroll	\$ 12,075,857	\$ 11,859,085	11,513,675
Unfunded actuarial accrued liability as a percentage of covered payroll	29.19%	29.73%	33.91%

CITY OF AUBURN, MAINE
Notes to the Financial Statements, Continued
June 30, 2014

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, 2014

Schedule of Funding Progress

City Pension Plan

<u>Actuarial Valuation Date</u>	<u>Plan Assets</u>	<u>Actuarial Accrued Liability</u>
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
6/30/2014	-	816,665

Retiree Healthcare Plan

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) – Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a) /c]</u>
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%
2014	1/1/13	-	3,525,364	3,525,364	0.00%	12,075,857	29.19%

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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, 2014

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS			
Investments	\$ 303,198	266,278	569,476
Receivables:			
Accounts	198,773	-	198,773
Loans receivable	1,520,404	-	1,520,404
Interfund receivables	373,544	-	373,544
Intergovernmental	1,071,626	-	1,071,626
Total assets	\$ 3,467,545	266,278	3,733,823
LIABILITIES			
Accounts payable	133,891	-	133,891
Accrued payroll and benefits payable	20,127	-	20,127
Interfund payables	2,153,757	3,559	2,157,316
Total liabilities	2,307,775	3,559	2,311,334
FUND BALANCES			
Nonspendable - long-term receivables	1,520,404	-	1,520,404
Nonspendable - principal	-	69,475	69,475
Restricted	1,344,243	193,244	1,537,487
Committed	355,605	-	355,605
Unassigned	(2,060,482)	-	(2,060,482)
Total fund balances	1,159,770	262,719	1,422,489
Total liabilities and fund balances	\$ 3,467,545	266,278	3,733,823

CITY OF AUBURN, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:			
Intergovernmental	\$ 6,546,819	-	6,546,819
Charges for services	495,538	-	495,538
Other revenue	119,397	-	119,397
Interest revenue	-	445	445
Total revenues	7,161,754	445	7,162,199
Expenditures:			
Current:			
General government	365,388	-	365,388
Public Safety	572,085	-	572,085
Culture and recreation	267,817	-	267,817
Public Works	2,905,653	-	2,905,653
Education	4,052,310	-	4,052,310
Miscellaneous	-	235	235
Debt service	134,941	-	134,941
Total expenditures	8,298,194	235	8,298,429
Net change in fund balances	(1,136,440)	210	(1,136,230)
Fund balances, beginning of year	2,296,210	262,509	2,558,719
Fund balances, end of year	\$ 1,159,770	262,719	1,422,489

**CITY OF AUBURN, MAINE
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014**

	City Special	School Special	211 Fairview	Parking	Parks and Recreation	Totals
ASSETS						
Investments	\$ 104,927	-	-	198,271	-	303,198
Receivables:						
Accounts	140,026	36,238	-	17,707	4,802	198,773
Loans receivable	1,520,404	-	-	-	-	1,520,404
Interfund receivables	-	69,940	-	-	303,604	373,544
Intergovernmental	537,543	534,083	-	-	-	1,071,626
Total assets	\$ 2,302,900	640,261	-	215,978	308,406	3,467,545
LIABILITIES						
Accounts payable	110,800	18,376	-	327	4,388	133,891
Accrued payroll and benefits payable	-	20,127	-	-	-	20,127
Interfund payables	1,423,389	-	566,304	164,064	-	2,153,757
Total liabilities	1,534,189	38,503	566,304	164,391	4,388	2,307,775
FUND BALANCES (DEFICITS)						
Nonspendable - long-term receivables	1,520,404	-	-	-	-	1,520,404
Restricted	742,485	601,758	-	-	-	1,344,243
Committed	-	-	-	51,587	304,018	355,605
Unassigned	(1,494,178)	-	(566,304)	-	-	(2,060,482)
Total fund balances (deficits)	768,711	601,758	(566,304)	51,587	304,018	1,159,770
Total liabilities and fund balances	\$ 2,302,900	640,261	-	215,978	308,406	3,467,545

CITY OF AUBURN, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014

	City Special	School Special	211 Fairview	Parking	Parks and Recreation	Totals
Revenues:						
Intergovernmental	\$ 2,552,951	3,993,868	-	-	-	6,546,819
Charges for services	85,482	-	-	130,202	279,854	495,538
Other income	119,065	-	-	332	-	119,397
Total revenues	2,757,498	3,993,868	-	130,534	279,854	7,161,754
Expenditures:						
Current:						
General government	207,381	-	-	158,007	-	365,388
Public Safety	572,085	-	-	-	-	572,085
Culture and recreation	33,156	-	-	-	234,661	267,817
Public Works	2,905,653	-	-	-	-	2,905,653
Education	-	4,052,310	-	-	-	4,052,310
Debt service	134,941	-	-	-	-	134,941
Total expenditures	3,853,216	4,052,310	-	158,007	234,661	8,298,194
Net change in fund balances	(1,095,718)	(58,442)	-	(27,473)	45,193	(1,136,440)
Fund balances (deficit), beginning of year	1,864,429	660,200	(566,304)	79,060	258,825	2,296,210
Fund balances (deficit), end of year	\$ 768,711	601,758	(566,304)	51,587	304,018	1,159,770

CITY OF AUBURN, MAINE
Combined Balance Sheet
Nonmajor Permanent Funds
June 30, 2014

ASSETS	
Investments	\$ 266,278
Total assets	266,278
LIABILITIES	
Interfund payables	3,559
Total liabilities	3,559
FUND BALANCES	
Nonspendable - principal	69,475
Restricted	193,244
Total fund balances	262,719
Total liabilities and fund balances	\$ 266,278

CITY OF AUBURN, MAINE
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the Year Ended June 30, 2014

Revenues:	
Investment income	\$ 445
Total revenues	445
Expenditures:	
Current:	
Other miscellaneous	235
Total expenditures	235
Net change in fund balances	210
Fund balances, beginning of year	262,509
Fund balances, end of year	\$ 262,719

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AGENCY FUNDS

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CITY OF AUBURN, MAINE
Statement of Changes in Assets and Liabilities
Fiduciary Funds
Agency Funds
For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS				
Cash and cash equivalents	\$ 153,958	494,778	489,863	158,873
Total assets	153,958	494,778	489,863	158,873
LIABILITIES				
Amounts held for others	153,958	494,778	489,863	158,873
Total liabilities	\$ 153,958	494,778	489,863	158,873

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TAX INCREMENT FINANCING FUND

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CITY OF AUBURN, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Tax Increment Financing Fund
For the Year Ended June 30, 2014

	TIF 4 Tambrands I	TIF 5 J Enterprises	TIF 6 Tambrands 2	TIF 7 J & A Properties	TIF 8 Formed Fiber	TIF 9 Mall Area	TIF 10 Downtown	TIF 11 Safe Handling	TIF 12 I Park	TIF 13 Auburn Plaza	TIF 14 & 15 Auburn Plaza II	TIF 16 Webster School	TIF 17 Bedard Pharmacy	Totals
Revenues:														
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures:														
Current:														
General government	425,672	-	71,887	-	30,476	-	-	-	-	127,256	718,207	27,295	29,464	1,430,257
Capital Outlay	-	-	-	-	-	370,151	68,229	-	-	-	-	-	-	438,380
Debt service	-	-	-	-	-	439,962	426,327	-	177,163	-	-	-	-	1,043,452
Total expenditures	425,672	-	71,887	-	30,476	810,113	494,556	-	177,163	127,256	718,207	27,295	29,464	2,912,089
Deficiency of revenues under expenditures	(425,672)	-	(71,887)	-	(30,476)	(810,113)	(494,556)	-	(177,163)	(127,256)	(718,207)	(27,295)	(29,464)	(2,912,089)
Other financing sources (uses):														
Transfers from other funds	425,672	-	71,887	-	30,476	351,161	706,081	-	139,049	302,991	499,956	27,295	29,464	2,584,032
Transfers to other funds	-	-	-	-	-	-	(500,000)	-	-	-	-	-	-	(500,000)
Total other financing sources (uses)	425,672	-	71,887	-	30,476	351,161	206,081	-	139,049	302,991	499,956	27,295	29,464	2,084,032
Net change in fund balances	-	-	-	-	-	(458,952)	(288,475)	-	(38,114)	175,735	(218,251)	-	-	(828,057)
Fund balances (deficit), beginning of year	(127,348)	14,500	(471,230)	2,558	105,066	306,422	1,264,410	50,184	(264,722)	1,016,701	(316,792)	360	389	1,580,498
Fund balances (deficit), end of year	\$ (127,348)	14,500	(471,230)	2,558	105,066	(152,530)	975,935	50,184	(302,836)	1,192,436	(535,043)	360	389	752,441

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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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 67,831,558
Restricted	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	11,793,625
Unrestricted	(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	3,773,135
Total governmental activities net position	33,467,875	48,933,794	56,183,544	64,577,532	69,988,943	77,641,000	79,959,385	85,003,987	84,342,601	83,398,318
Business-type activities:										
Net investment in capital assets	345,741	344,398	390,008	416,684	1,033,634	928,388	829,060	781,208	708,368	548,461
Restricted	-	-	-	-	-	-	-	-	34,042	-
Unrestricted	156,985	183,842	168,242	189,487	296,012	326,230	353,997	651,420	594,157	575,898
Total business-type activities net position	502,726	528,240	558,250	606,171	1,329,646	1,254,618	1,183,057	1,432,628	1,336,567	1,124,359
Primary government:										
Net investment in capital assets	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	68,380,019
Restricted	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	11,793,625
Unrestricted	(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	4,349,033
Total primary government net position	\$ 33,970,601	\$ 49,462,034	\$ 56,741,794	\$ 65,183,703	\$ 71,318,589	\$ 78,895,618	\$ 81,142,442	\$ 86,436,615	\$ 85,679,168	\$ 84,522,677

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
General government	\$ 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	\$ 12,031,662
Public safety	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	9,404,183
Health, welfare and recreation	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	2,172,119
Public works	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	12,427,048
Other agencies	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	3,400,687
Education	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	43,917,231
Unclassified	836,636	900,891	3,127,839	1,849,876	-	-	-	-	-	-
Interest on debt	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	122,068
Total governmental activities expenses	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	83,474,998
Business-type activities:										
Ingersoll Ice Arena	131,898	162,790	192,310	144,519	296,500	506,301	482,686	539,555	490,593	604,369
Norway Savings Bank Arena	-	-	-	-	-	-	-	-	-	525,814
Centralized School Lunch	-	-	-	-	-	-	-	-	1,421,308	1,312,651
Total business-type activities expenses	131,898	162,790	192,310	144,519	296,500	506,301	482,686	539,555	1,911,901	2,442,834
Total primary government expenses	66,306,129	65,744,472	73,304,875	72,264,425	74,420,101	72,613,775	80,887,921	77,964,821	81,914,485	85,917,832
Program Revenues										
Governmental activities:										
Charges for services:										
General government	962,712	276,319	234,353	148,023	1,240,811	1,204,104	710,124	532,771	480,870	456,624
Public safety	79,315	-	-	-	50,221	87,882	285,365	701,234	841,366	920,429
Health, welfare and recreation	255,933	228,780	160,146	257,162	286,052	290,936	287,013	308,403	318,635	279,854
Public works	-	-	-	-	-	-	50,334	3,158	2,674	1,549
Other agencies	-	-	-	-	-	-	-	-	-	-
Education	597,118	863,397	1,083,731	1,283,420	689,325	584,258	676,120	514,390	484,567	412,347
Operating grants and contributions	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	31,349,557
Capital grants and contributions	-	2,884,801	-	-	-	-	602,210	-	-	-
Total governmental activities program revenues	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	33,420,360
Business-type activities:										
Charges for services	169,090	185,113	218,333	191,828	330,268	425,328	424,614	433,375	669,015	1,139,096
Operating grants and contributions	-	-	-	-	-	-	-	-	1,159,343	1,090,354
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	169,090	185,113	218,333	191,828	330,268	425,328	424,614	433,375	1,828,358	2,229,450
Total primary government program revenues	24,057,937	30,260,453	28,688,454	29,259,801	32,315,323	32,592,213	34,556,920	35,497,298	33,896,029	35,649,810

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (expense)/revenue:										
Governmental activities	\$ (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)	(50,054,638)
Business-type activities	37,192	22,323	26,023	47,309	33,768	(80,973)	(58,072)	(106,180)	(83,543)	(213,384)
Total primary government net expense	(42,248,192)	(35,484,019)	(44,616,421)	(43,004,624)	(42,104,778)	(40,021,562)	(46,331,001)	(42,467,523)	(48,018,456)	(50,268,022)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes	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	44,522,766
Grants not restricted to specific programs	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	4,336,314
Unrestricted investment earnings	308,270	535,503	684,283	600,248	382,621	80,246	70,562	65,072	16,581	2,829
Miscellaneous revenues	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	248,446
Total governmental activities general revenues	49,014,875	50,972,261	51,866,804	51,445,922	48,239,453	47,598,544	48,150,325	47,660,744	47,272,787	49,110,355
Business-type activities:										
Unrestricted investment earnings	1,660	3,191	3,987	613	211	47	-	51	757	1,176
Total business-type activities general revenues	1,660	3,191	3,987	613	211	47	-	51	757	1,176
Total primary government	49,016,535	50,975,452	51,870,791	51,446,535	48,239,664	47,598,591	48,150,325	47,660,795	47,273,544	49,111,531
Change in Net Position										
Governmental activities	6,729,491	15,465,919	7,224,360	8,393,989	5,411,411	7,652,057	1,890,885	5,312,676	(662,126)	(944,283)
Business-type activities	38,852	25,514	30,010	47,922	723,475	(75,028)	(71,561)	(119,404)	(96,061)	(212,208)
Total primary government	\$ 6,768,343	\$ 15,491,433	\$ 7,254,370	\$ 8,441,911	\$ 6,134,886	\$ 7,577,029	\$ 1,819,324	\$ 5,193,272	(758,187)	(1,156,491)

Beginning FY 2009 Unclassified expenses were reclassified.

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011 (a)	2012	2013	2014
General Fund										
Reserved*	\$ -	\$ 558,178	\$ 478,065	\$ 587,024	\$ 110,672	\$ 55,566	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Designated	1,066,274	1,291,770	1,224,436	1,790,409	2,337,962	1,737,562	-	-	-	-
Undesignated	3,587,200	5,088,428	7,898,295	8,783,174	8,405,631	9,599,911	-	-	-	-
Nonspendable	-	-	-	-	-	-	226,255	97,171	75	629,503
Restricted	-	-	-	-	-	-	2,679,579	1,840,047	2,449,945	1,969,754
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	1,087,851	942,172	1,154,572	812,886
Unassigned	-	-	-	-	-	-	9,108,868	10,734,773	8,775,150	8,651,216
Total general fund	\$ 4,653,474	\$ 6,938,376	\$ 9,600,796	\$ 11,160,607	\$ 10,854,265	\$ 11,393,039	\$ 13,102,553	\$ 13,614,163	12,379,742	12,063,359
All Other Governmental Funds										
Reserved	\$ 5,789,631	\$ 3,945,171	\$ 5,553,478	\$ 3,448,001	\$ 9,149,416	\$ 9,449,895	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,820,744	5,516,940	4,769,893	3,987,906	3,503,209	3,414,932	-	-	-	-
Capital project funds	7,157,634	9,719,595	13,480,577	10,147,915	5,082,615	5,545,423	-	-	-	-
Permanent funds	159,863	169,201	12,092	20,356	22,118	22,960	-	-	-	-
Nonspendable	-	-	-	-	-	-	5,922,783	5,813,531	5,712,143	5,628,850
Restricted	-	-	-	-	-	-	3,105,513	3,464,347	3,710,739	4,195,021
Committed	-	-	-	-	-	-	10,104,760	10,998,530	7,985,485	5,755,639
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(841,666)	(694,644)	(1,125,143)	(3,649,469)
Total all other governmental funds	\$ 15,927,872	\$ 19,350,907	\$ 23,816,040	\$ 17,604,178	\$ 17,757,358	\$ 18,433,210	\$ 18,291,390	\$ 19,581,764	16,283,224	11,930,041

* 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 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	\$ 44,563,151
Intergovernmental	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	35,325,279
Licenses and permits	312,511	336,466	485,045	340,375	285,951	243,924	303,183	266,852	374,011	325,476
Charges for services	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	1,799,725
Other	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	601,599
Total revenues	<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>	<u>82,615,230</u>
Expenditures										
General government	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	11,362,793
Public safety	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	8,987,931
Health, welfare and recreation	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	1,937,404
Public works	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	7,611,817
Other agencies	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	3,400,687
Education	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	43,506,308
Unclassified	609,504	670,448	499,326	271,918	305,995	310,093	303,539	403,753	405,669	325,374
Self insurance	227,131	230,443	323,581	692,607	348,629	470,524	671,092	517,299	383,566	-
Capital projects	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	8,539,810
Debt Service:										
Principal	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	7,204,057
Interest expense	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	305,018
Total expenditures	<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>	<u>93,181,199</u>
Excess (deficiency) of revenues over (under) expenditures	<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>	<u>(10,565,969)</u>

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other financing sources (uses)										
Proceeds - bonds	\$ 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	\$ 5,625,000
Proceeds - notes	-	1,010,307	-	-	-	-	1,024,625	-	-	84,458
Premium on issuance of debt	-	-	-	-	-	-	85,597	83,077	1,052,751	186,945
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(9,118,353)	-
Transfers in	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	2,084,032
Transfers out	(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)	(2,084,032)
Total other financing sources (uses)	<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>	<u>5,896,403</u>
Net change in fund balances	<u>\$ 17,924,371</u>	<u>\$ 5,707,936</u>	<u>\$ 7,102,164</u>	<u>\$ (2,752,225)</u>	<u>\$ (2,052,988)</u>	<u>\$ 1,214,626</u>	<u>\$ 2,592,319</u>	<u>\$ 767,006</u>	<u>\$ (4,682,034)</u>	<u>\$ (4,669,566)</u>
Debt service as a percentage of noncapital expenditures	11.68%	13.42%	13.53%	12.41%	11.00%	10.62%	9.95%	10.38%	9.96%	8.87%

Table 5

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

Fiscal year	Assessed Value - Real Property	Assessed Value - Personal Property	Total Assessed Value	Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value	Total Tax/ (Mil) Rate
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
2014	1,823,040,083	182,681,300	2,005,721,383	1,926,200,000	104.1%	20.43

Table 6

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

Fiscal Year	General Government		General Fund Debt Service		Education		Total Tax/ (Mil) Rate
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
2014	9.62	47.08%	3.15	15.43%	7.66	37.49%	20.43

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, 2014

	Taxpayer	Business	Assessed Value	% of Total Tax Base	Cumulative %
1	Tambrands	Personal Products	\$ 72,718,500	3.63%	3.63%
2	Auburn Plaza, Inc	Regional shopping	30,364,600	1.51%	5.14%
3	Wal-Mart Real Estate	Retail	24,128,900	1.20%	6.34%
4	Central Maine Power Company	Electric Utility	23,681,489	1.18%	7.52%
5	Pioneer Plastics	Laminates	22,359,700	1.11%	8.64%
6	Gates Formed Fiber	Automotive Products	18,364,100	0.92%	9.55%
7	Cascades Auburn Fiber	Paper Reprocessor	14,643,300	0.73%	10.28%
8	FPL Energy Maine Hydro LLC	Electric Utility	14,569,100	0.73%	11.01%
9	Riverwatch LLC	Lodging	14,360,400	0.72%	11.73%
10	Lowes Home Centers	Retail	13,987,200	0.70%	12.42%
			\$ 249,177,289		

June 30, 2005

	Taxpayer	Business	Assessed Value	% of Total Tax Base	Cumulative %
1	Tambrands	Personal Products	\$ 100,026,000	8.28%	8.28%
2	PPC Acquisition Corp	Plastic Laminates	24,225,800	2.01%	10.29%
3	Wal-Mart Real Estate	Retail	20,832,800	1.73%	12.02%
4	Gates Formed Fiber	Automotive Products	16,051,800	1.33%	13.35%
5	Central Maine Power Company	Electric Utility	13,642,700	1.13%	14.48%
6	Cascades Auburn Fiber	Paper Reprocessor	13,574,700	1.12%	15.60%
7	General Electric Company	Electrical Components	13,089,600	1.08%	16.68%
8	FPL Energy, Maine Hydro LLC	Electric Utility	12,689,300	1.05%	17.73%
9	Greenland Vistas	Real Estate	11,939,000	0.99%	18.72%
10	International Paper	Cardboard Containers	10,409,800	0.86%	19.58%
			\$ 236,481,500		

Table 8

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

Fiscal year	Gross Tax Levy	Abatements	Net Tax Levy	Collections In Current Year	Percent of Net Levy Collected	Collections in Later Years	Total Collections	Total Collections as a Percent of Net Levy
2005	\$ 37,378,635	\$ 254,933	\$ 37,123,702	\$ 36,348,878	97.91%	\$ 703,445	\$ 37,052,323	99.81%
2006	40,488,967	369,260	40,119,707	38,994,735	97.20%	1,076,571	40,071,306	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%	1,310,687	38,028,943	99.87%
2010	37,999,926	219,262	37,780,664	36,929,246	97.75%	772,455	37,701,701	99.79%
2011	39,984,486	192,788	39,791,698	38,721,670	97.31%	658,055	39,379,725	98.96%
2012	39,948,404	118,447	39,829,957	38,713,505	97.20%	329,858	39,043,363	98.03%
2013	39,455,557	123,605	39,331,952	38,262,685	97.28%	597,471	38,860,156	98.80%
2014	40,987,430	68,614	40,918,816	39,821,057	97.32%	-	39,821,057	97.32%

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 Net of State Subsidy	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			To Assessed Value	Per Capita	
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
2014	56,826,591	494,897	57,321,488	-	-	-	57,321,488	51,238,970	2.9%	2,486.29	2,222.47

Table 10

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

Fiscal year	General Obligation Bonds	To Estimated Actual Value	Per Capita	Total Governmental Activity Debt Net of State Subsidy	Per Capita Net of State Subsidy
2005	60,043,000	3.9%	2,543.98	56,507,016	2,404
2006	67,817,000	4.1%	2,873.36	54,405,684	2,734
2007	72,629,000	3.8%	3,077.24	59,414,721	2,939
2008	70,267,000	3.4%	2,977.16	56,999,369	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	49,709,009	2,122
2011	65,461,000	3.2%	2,839.34	47,941,767	2,079
2012	61,239,000	3.0%	2,656.21	51,053,704	2,214
2013	59,534,323	2.9%	2,604.16	53,306,548	2,312
2014	56,826,591	2.9%	2,486.29	50,744,073	2,201

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
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
2014	57,321,488	-	25.36%	-	57,321,488	2.86%	2,486

CITY OF AUBURN, MAINE
Legal Debt Management
Last Ten Years
Computation of Legal Debt Margin
June 30, 2014

Total State Valuation			\$	1,926,200,000		
Legal Debt Limitation:						
15% of State Valuation				288,930,000		
Debt Applicable to Debt Limitation:					Bonded General Obligation Debt	
	Legal Maximum				As a Percent of	
Purpose	Percentage	Amount	Dollar	Amount	Legal	State
					Maximum	Valuation
Municipal & School	15.0%	\$ 288,930,000		56,826,591	19.67%	2.95%
			Margin for Additional Borrowing:	<u>\$ 232,103,409</u>		

Historical Legal Debt Margin
Last Ten Fiscal Years

	Legal Debt Limit	Debt Outstanding	Legal Debt Margin	Debt Outstanding/ Legal Debt Limit
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%
2014	288,930,000	56,826,591	232,103,409	19.7%

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
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	799,501,290	34,678	7.9%
2011	23,055	811,097,955	35,181	7.8%
2012	23,055	827,005,905	35,871	7.2%
2013	23,055	834,406,560	36,192	7.8%
2014	23,055	853,449,990	37,018	5.5%

(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, 2014

Rank	Employer	Total Number of Employees	Percent of Total Employees
1	Wal-Mart Supercenter	559	4.8%
2	Tambrands Inc.	544	4.7%
3	Lepage Bakeries	515	4.5%
4	Pioneer Plastics	502	4.3%
5	Gates Formed Fiber Products	446	3.9%
6	Clover Living Center	265	2.3%
7	Hannaford	182	1.6%
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	70.1%
	Total Employees	<u>11,561</u>	

Principal Non-Governmental Employers
June 30, 2005

Rank	Employer	Total appr. number of employees	Percent of Total 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	<u>15,529</u>	

Source: Maine Department of Labor

Table 15

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

Fiscal Year	General Government	Public Safety	Health, Welfare & Recreation	Public Services	Education	Ice Arena	Total
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	5.00	55.00	585.00	2.00	816.00
2014	39.00	128.00	5.00	59.00	564.00	5.00	800.00

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
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
2014	23,055	26,626 / 3,535	1 / 19 / 17	237	3,623	1,832

Source: Various City departments

Table 17

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

Fiscal Year	General Government	Public Safety	Health, Welfare & Recreation	Public Works	Education	Ice Arenas
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
2014	32,439,570	1,806,175	5,813,288	49,100,585	28,482,183	471,624

Source: Various City departments