

TOWN OF AUBURN, MASSACHUSETTS
Report on the Examination of Basic Financial Statements
For the Year Ended June 30, 2020

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Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Auburn, Massachusetts

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 Town of Auburn, Massachusetts, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Auburn, Massachusetts' 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 Town of Auburn, Massachusetts, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective 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, pension plan and other postemployment benefit plan schedules as listed on 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 Town of Auburn, Massachusetts' basic financial statements. The Supplementary Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2021, on our consideration of the Town of Auburn, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Auburn, Massachusetts' internal control over financial reporting and compliance.

Scanlon & Associates, LLC
South Deerfield, Massachusetts

February 5, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Auburn, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$43,673,020 (net position) for the fiscal year reported. This compares to the previous year when assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$42,205,280, an increase of \$1,467,740 (3%).
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$37,964,960, an increase of \$1,672,959 (5%) in comparison with prior year.
- The General Fund's total fund balance increased \$2,143,338 (10%) to \$22,721,566. The ending General fund balance is 31% of revenues and transfers in, and 32% of expenditures and transfers out.
- Total liabilities of the Town increased by \$8,714,455 (7%) to \$135,919,354 during the fiscal year. This net change resulted mainly from net increases in the bond anticipation notes payable of \$3,524,985 and in the other post employment benefits (OPEB) liability of \$9,672,415; and a net decrease in the bonds and leases payable of \$4,922,252.
- The Town had General Fund free cash certified by the Department of Revenue in the amount of \$15,757,928. The key factors that attributed to the free cash amount for fiscal year 2020 were unexpended/unencumbered appropriations of \$1,743,900, excess over budget state and local receipts of \$918,000 and prior year free cash not appropriated of \$13,258,300.
- The Town's enterprise fund certified free cash is as follows:
 - Cable Access \$ 333,283.
 - Pakachoag golf course \$ 140,947.
 - Sewer fund \$ 1,439,891.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Auburn's basic financial statements. These 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 finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all assets, deferred outflows of resources, liabilities and deferred inflows of resources with the net difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government'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 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 include general government, public safety, public works, education, health and human services, culture and recreation, employee benefits and insurance, state assessments and interest. The business-type activities include sewer and pakachoag golf course activities.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds 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 statements focus on *near-term inflows 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 financial 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 activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decision. 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 Town 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.

Proprietary funds. The Town maintains two types of proprietary funds.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its sewer and pakachoag golf course activities.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The Town uses internal service funds to account for health insurance. Because these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic 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.

Financial Highlights

Statement of Net Position Highlights

	Governmental Activities		
	2020	2019	Change
Assets:			
Current assets	\$ 57,597,229	\$ 53,508,271	\$ 4,088,958
Capital assets	102,120,924	103,779,259	(1,658,335)
Total assets	159,718,153	157,287,530	2,430,623
Deferred Outflows of Resources	12,313,650	6,486,929	5,826,721
Liabilities:			
Current liabilities (excluding debt and leases)	5,721,193	6,200,917	(479,724)
Current debt and lease	6,082,248	4,998,892	1,083,356
Noncurrent liabilities (excluding debt and leases)	90,883,017	80,036,391	10,846,626
Noncurrent debt and lease	26,932,048	31,348,106	(4,416,058)
Total liabilities	129,618,506	122,584,306	7,034,200
Deferred Inflows of Resources	5,381,342	5,687,998	(306,656)
Net Position:			
Net Investment in Capital Assets	69,106,628	67,432,261	1,674,367
Restricted	9,833,921	10,424,343	(590,422)
Unrestricted	(41,908,594)	(42,354,449)	445,855
Total net position	\$ 37,031,955	\$ 35,502,155	\$ 1,529,800
	Business-Type Activities		
	2020	2019	Change
Assets:			
Current assets	\$ 5,230,806	\$ 2,815,601	\$ 2,415,205
Noncurrent assets (excluding capital assets)	52,355	99,448	(47,093)
Capital assets	7,511,889	7,855,778	(343,889)
Total assets	12,795,050	10,770,827	2,024,223
Deferred Outflows of Resources	241,785	713,147	(471,362)
Liabilities:			
Current liabilities (excluding debt and leases)	208,257	240,022	(31,765)
Current debt	2,423,502	264,565	2,158,937
Noncurrent liabilities (excluding debt and leases)	2,099,089	2,322,504	(223,415)
Noncurrent debt	1,570,000	1,793,502	(223,502)
Total liabilities	6,300,848	4,620,593	1,680,255
Deferred Inflows of Resources	94,922	160,256	(65,334)
Net Position:			
Net investment in capital assets	3,518,387	5,797,711	(2,279,324)
Restricted	2,416,253	256,770	2,159,483
Unrestricted	706,425	648,644	57,781
Total net position	\$ 6,641,065	\$ 6,703,125	\$ (62,060)

Financial Highlights

Statement of Activities Highlights

	Governmental Activities		
	2020	2019	Change
Program Revenues:			
Charges for services	\$ 6,334,220	\$ 6,774,199	\$ (439,979)
Operating grants and contributions	24,766,960	20,550,538	4,216,422
Capital grants and contributions	881,558	932,187	(50,629)
General Revenues:			
Property taxes	43,600,218	42,335,296	1,264,922
Motor vehicle excise and other taxes	3,286,446	3,240,333	46,113
Hotel room occupancy and meals taxes	927,948	1,143,581	(215,633)
Penalties and interest on taxes	236,410	266,242	(29,832)
Nonrestricted grants	2,120,460	1,849,043	271,417
Unrestricted investment income	329,875	382,035	(52,160)
Total revenues	82,484,095	77,473,454	5,010,641
Expenses:			
General government	4,225,856	3,830,512	395,344
Public safety	10,237,160	9,341,694	895,466
Public works	4,637,578	5,286,304	(648,726)
Education	35,184,220	33,375,558	1,808,662
Health and human services	970,110	956,650	13,460
Culture and recreation	1,210,241	1,346,736	(136,495)
Employee benefits and insurance	23,106,329	19,837,145	3,269,184
State assessments	588,083	684,949	(96,866)
Interest	1,141,674	1,258,363	(116,689)
Total expenses	81,301,251	75,917,911	5,383,340
Contributions to permanent funds	36,630	26,850	9,780
Transfers	310,326	310,963	(637)
Change in net position	1,529,800	1,893,356	(363,556)
Net position - beginning of year	35,502,155	33,608,799	1,893,356
Net position - end of year	\$ 37,031,955	\$ 35,502,155	\$ 1,529,800

	Business-Type Activities		
	2020	2019	Change
Program Revenues:			
Charges for services	\$ 3,432,885	\$ 3,094,572	\$ 338,313
Operating grants and contributions	33,300	41,678	(8,378)
Total revenues	3,466,185	3,136,250	329,935
Expenses:			
Sewer	2,938,369	2,554,857	383,512
Pakachoag Golf Course	279,550	372,844	(93,294)
Total expenses	3,217,919	2,927,701	290,218
Transfers	(310,326)	(310,963)	637
Change in net position	(62,060)	(102,414)	40,354
Net position - beginning of year	6,703,125	6,805,539	(102,414)
Net position - end of year	\$ 6,641,065	\$ 6,703,125	\$ (62,060)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$43,673,020 at the close of fiscal year 2020.

Net position of \$72,625,015 represents its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its 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 net position \$12,250,174, represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$41,202,169).

At the end of the current fiscal year, the Town is able to report positive balances in two categories of net position and a negative balance in the unrestricted category in the governmental activities and for the government as a whole. The unrestricted governmental activities and government as a whole resulted in a negative balance mainly due to the accrual of the OPEB obligation and net pension liabilities that are required under GASB to be recognized in the Town's financial statements. These liabilities are presented on the statement of net position.

The Town is able to report positive balances in all three categories of net position for the business-type activities.

The governmental activities net position increased by \$1,529,800 (4%) during the current fiscal year. The significant reasons for the increase in net position are attributed to net increases in the governmental funds of \$1,672,959, in debt and leases of \$4,657,687 and in the deferred outflow/(inflow) of resources related to OPEB of \$8,479,654; and to decreases as a result of the depreciation expense (normally spread out over the useful life of the asset) for the year of \$5,340,056 exceeding the acquisition of \$3,681,721 in new capital assets, in recognizing this year's net OPEB liability of \$9,575,173 and in the deferred outflow/(inflow) of resources related to pensions of \$2,742,852.

There was a decrease of \$62,060 (1%) in net position reported in the business-type activities. Of this, there was an increase of \$136,649 attributed to the pakachoag golf course fund and a decrease of \$198,709 attributed to the sewer fund.

There was an increase of \$1,752,097 (20%) in net position reported in the internal service fund. This was attributed to operating expenditures exceeding operating revenues by \$1,661,999 and interest earned of \$90,098.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing financing requirements. In particular, the general fund *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, governmental funds reported combined ending fund balances of \$37,964,960, an increase of \$1,672,959 (5%) in comparison with the prior year.

Breakdown of the governmental funds are as follows:

- Nonspendable fund balance – \$1,063,634 (3%).
- Restricted fund balance – \$7,968,705 (21%).
- Committed fund balance – \$7,531,006 (20%).
- Assigned fund balance – \$1,824,085 (5%).
- Unassigned fund balance – \$19,577,530 (51%).

Major Governmental Funds

At the end of the fiscal year, the General Fund reported a total fund balance of \$22,721,566 increasing \$2,143,338 (10%) from the prior year. Of the \$22,721,566, the unassigned amount is \$20,335,840 (90%), the assigned amount is \$1,824,085 (8%) and the restricted amount is \$561,641 (2%). General fund revenues were \$3,844,999 (6%) more than the prior fiscal year and expenditures also increased by \$3,210,592 (5%). Other activities in the General Fund were net transfers in from other funds of \$1,330,984.

The main components of the increases in general fund revenues as compared to the prior year related to increases in property taxes in the amount of \$1,104,789 (3%), in intergovernmental receipts of \$965,238 (7%) and in intergovernmental "on-behalf payments of \$1,732,838 (30%).

The major changes with the general fund expenditures from the prior fiscal year were as follows:

- Increase in Public safety expenditures of \$298,975 (4%).
- Increase in Education expenditures of \$1,035,374 (4%).
- Increase in Employee benefits and insurance expenditures of \$2,415,167 (15%).
- Decrease in Debt Service (principal and interest) of \$396,236 (7%).

Proprietary funds. The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Major Proprietary Funds

The *Sewer Fund* is the financing and operations of the Town's sewer system. The sewer fund has accumulated a balance of \$6,486,534 and shows a decrease of \$198,709 (3%) in total operations. This is attributed to operating revenues exceeding the operating costs by \$149,211, interest income of \$18,173, special assessments revenue of \$5,985, interest expense of \$81,226 and net transfers to the general fund of \$290,852. Operating revenues increased by \$285,778 (10.5%) and operating expenses also increased by \$360,665 (14%) from the prior year.

The *Pakachoag Golf Course Fund* accounts for the financing and operations of the Town's golf course. The fund has accumulated a balance of \$154,531 and shows an increase of \$136,649 in total operations. This increase is attributed to operating revenues exceeding the operating costs by \$140,996, interest income of \$15,127 and net transfers to the general fund of \$19,474. Operating revenues increased by \$52,381 (14%) while operating expenses decreased by \$93,294 (25%) from the prior year.

Internal Service Fund

The activity of the internal service fund represents the health insurance fund. The fund has accumulated a fund balance of \$10,456,254. The fund increased by \$1,752,097 (20%) in total operations. This is the result of contributions from the employees and employer for \$8,325,640, other revenue of \$1,916,416, expenses of \$8,580,057 and interest earned of \$90,098. Operating revenues increased by \$1,068,277 (12%) while operating expenses decreased by \$906,594 (10%) from the prior year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2020 was \$67,470,394. This was an increase of \$2,172,756 (3%) over the previous year's budget.

There was an increase between the original budget and the total final amended budget. The change is attributed to funds voted from available funds at the special town meeting in October 2019 and January 2020 for various budget operating line items.

General fund expenditures were less than budgeted by \$3,567,953. Of the \$3,567,953 in under budget expenditures, \$1,824,085 has been carried over to fiscal year 2021.

There are negative variances in property taxes of \$148,637 and in interest on taxes of \$8,590 as expectations (budget) were higher than the receipts.

Overall, the variance with the final budget was a positive \$2,513,216 consisting of a revenue surplus of \$769,348 and an appropriation surplus of \$1,743,868.

Capital Assets and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$102,120,924 and \$7,511,889, respectively.

The investment in capital assets includes land, construction in progress, buildings and renovations, machinery, equipment and other and infrastructure.

Major capital events during the current fiscal year in the governmental type funds included the following:

- Police vehicle purchases for \$139,309.
- Highway vehicle and equipment purchases for \$354,771.
- Road, Street and Dam improvements for \$2,660,013.
- School equipment purchase for \$53,773.
- High School infrastructure improvements for \$450,000.

The major capital event during the current fiscal year in the business-type fund included the following:

- Golf Course equipment purchase for \$56,355.
- Sewer vehicle purchase for \$46,030.
- Sewer infrastructure improvements for \$215,295.

Debt Administration. The Town's outstanding governmental debt, as of June 30, 2020, totaled \$30,150,393, of which \$21,687,000 is for school projects, \$2,065,000 is for land acquisitions, \$186,000 for department equipment, \$329,393 for Dam repairs and road improvements and \$5,883,000 is for various other projects.

The governmental activities have bond anticipation notes outstanding totaling \$1,324,985 for the various vehicles, equipment and projects.

The Town also has capital leases in the governmental type fund for the financing of the police department, fire department and highway vehicles and equipment, and the high school athletic field. The last lease is due in 2025. The Town currently owes \$1,674,870 on the leases consisting of \$1,538,918 in principal and \$135,952 in interest.

The business-type fund has \$1,727,000 in long-term sewer debt that is fully supported by the rates.

The business-type activities have a bond anticipation note outstanding of \$2,200,000 for a sewer project.

The Town also has a capital lease in the business-type fund for financing of the golf course carts and other equipment. The lease is due in 2021. The Town currently owes \$68,266 on the lease consisting of \$66,502 in principal and \$1,764 in interest.

Please refer to notes 3D, 3F, 3G and 3H for further discussion of the major capital and debt activity.

Next Year's Annual Town Meeting

The Town of Auburn operates under the "Representative Meeting" concept where each registered voter elects a representative to vote in adopting of Town budgets and appropriations. The financial statements for June 30, 2020 do not reflect the fiscal year 2021 Town Meeting action.

The Annual Town Meeting on June 2, 2020 authorized a fiscal year 2021 operating and capital budget as follows:

From raise and appropriate		\$ 65,110,073
From sewer user fees	\$ 2,260,457	
From Sewer Appropriations	16,858	
From sewer retained earnings	<u>225,000</u>	2,502,315
From golf course fees	365,951	
From golf course retained earnings	<u>45,000</u>	410,951
From cable television fees	246,432	
From cable television retained earnings	<u>102,380</u>	348,812
From other available funds:		
General Fund:		
Reserve for debt		78,303
Non-major Governmental Funds:		
Ambulance	1,242,000	
Board of health revolving	20,000	
Capital improvement trust fund	30,000	
Casella waste	50,000	
Cemetery perpetural care fund	8,000	
Central administrative building	48,862	
Dog License Fees	45,000	
Health and recreation trust fund	7,118	
Pension reserve fund	25,000	
Sale of cemetery lots	15,000	
Wetlands protection fees	<u>3,000</u>	1,493,980
		<u>\$ 69,944,434</u>

Requests for Information

This financial report is designed to provide a general overview of the Town of Auburn’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant, 104 Central Street, Auburn, Massachusetts 01501.

BASIC FINANCIAL STATEMENTS

**TOWN OF AUBURN, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 42,579,341	\$ 4,788,200	\$ 47,367,541
Investments	9,642,780	-	9,642,780
Receivables, net of allowance for uncollectibles:			
Property Taxes	1,027,690	-	1,027,690
Deferred Property Taxes	15,133	-	15,133
Tax Liens	1,031,765	-	1,031,765
Excise Taxes	321,262	-	321,262
User Charges	-	432,927	432,927
Departmental	1,148,146	-	1,148,146
Special Assessments	-	9,679	9,679
Due from Other Governments	1,829,259	-	1,829,259
Other	1,853	-	1,853
Total current assets	57,597,229	5,230,806	62,828,035
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special Assessments	-	52,355	52,355
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	8,755,263	543,121	9,298,384
Depreciable	93,365,661	6,968,768	100,334,429
Total noncurrent assets	102,120,924	7,564,244	109,685,168
Total Assets	159,718,153	12,795,050	172,513,203
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	4,753,311	176,486	4,929,797
Deferred Outflows Related to OPEB	7,560,339	65,299	7,625,638
Total Deferred Outflows of Resources	12,313,650	241,785	12,555,435

(Continued)

**TOWN OF AUBURN, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2020**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
CURRENT:			
Warrants and Accounts Payable	1,439,457	161,350	1,600,807
Accrued Payroll	2,726,308	6,197	2,732,505
Payroll Withholdings	225,582	-	225,582
Accrued Interest	337,205	40,710	377,915
Accrued Claims	429,488	-	429,488
Other	62,236	-	62,236
Compensated Absences	500,917	-	500,917
Bond Anticipation Notes Payable	1,324,985	2,200,000	3,524,985
Bonds and Leases Payable	4,757,263	223,502	4,980,765
Total current liabilities	11,803,441	2,631,759	14,435,200
NONCURRENT:			
Compensated Absences	1,502,751	29,030	1,531,781
Net OPEB Liability	43,821,105	378,482	44,199,587
Net Pension Liability	45,559,161	1,691,577	47,250,738
Bonds and Leases Payable	26,932,048	1,570,000	28,502,048
Total noncurrent liabilities	117,815,065	3,669,089	121,484,154
Total Liabilities	129,618,506	6,300,848	135,919,354
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,700,250	63,129	1,763,379
Deferred Inflows Related to OPEB	3,681,092	31,793	3,712,885
Total Deferred Inflows of Resources	5,381,342	94,922	5,476,264
NET POSITION			
Net Investment in Capital Assets	69,106,628	3,518,387	72,625,015
Restricted for:			
Capital Projects	2,010,697	2,416,253	4,426,950
Federal & State Grants	605,713	-	605,713
Debt Service	561,641	-	561,641
Permanent Funds:			
Expendable	724,026	-	724,026
Nonexpendable	1,063,634	-	1,063,634
Other Purposes	4,868,210	-	4,868,210
Unrestricted	(41,908,594)	706,425	(41,202,169)
Total Net Position	\$ 37,031,955	\$ 6,641,065	\$ 43,673,020

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF AUBURN, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 4,225,856	\$ 433,727	\$ 531,226	\$ -	\$ (3,260,903)	\$ -	\$ (3,260,903)
Public Safety	10,237,160	2,920,277	251,812	-	(7,065,071)	-	(7,065,071)
Public Works	4,637,578	1,307,135	102,476	881,558	(2,346,409)	-	(2,346,409)
Education	35,184,220	1,309,194	14,131,813	-	(19,743,213)	-	(19,743,213)
Health and Human Services	970,110	265,206	175,722	-	(529,182)	-	(529,182)
Culture and Recreation	1,210,241	98,681	58,465	-	(1,053,095)	-	(1,053,095)
Employee Benefits and Insurance	23,106,329	-	9,515,446	-	(13,590,883)	-	(13,590,883)
State Assessments	588,083	-	-	-	(588,083)	-	(588,083)
Interest	1,141,674	-	-	-	(1,141,674)	-	(1,141,674)
Total Governmental Activities	81,301,251	6,334,220	24,766,960	881,558	(49,318,513)	-	(49,318,513)
Business-Type Activities:							
Sewer	2,938,369	3,012,339	18,173	-	-	92,143	92,143
Pakachoag Golf Course	279,550	420,546	15,127	-	-	156,123	-
Total Primary Government	\$ 84,519,170	\$ 9,767,105	\$ 24,800,260	\$ 881,558	(49,318,513)	248,266	(49,070,247)
General Revenues:							
Property Taxes					43,600,218	-	43,600,218
Motor vehicle excise and other taxes					3,286,446	-	3,286,446
Hotel room occupancy and meals taxes					927,948	-	927,948
Penalties & Interest on taxes					236,410	-	236,410
Grants & Contributions not restricted to specific programs					2,120,460	-	2,120,460
Unrestricted Investment Income					329,875	-	329,875
Contributions to Permanent Funds					36,630	-	36,630
Transfers, net					310,326	(310,326)	-
Total General Revenues, Contributions and Transfers					50,848,313	(310,326)	50,537,987
Change in Net Position					1,529,800	(62,060)	1,467,740
Net Position:							
Beginning of year (as restated)					35,502,155	6,703,125	42,205,280
End of year					\$ 37,031,955	\$ 6,641,065	\$ 43,673,020

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF AUBURN, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 22,366,073	\$ 9,527,953	\$ 31,894,026
Investments	3,704,495	5,938,285	9,642,780
Receivables, net of allowance for uncollectibles:			
Property Taxes	1,027,690	-	1,027,690
Deferred Taxes	15,133	-	15,133
Tax Liens	1,031,765	-	1,031,765
Excise Taxes	321,262	-	321,262
Departmental	138,233	484,346	622,579
Due from Other Governments	313,534	1,515,725	1,829,259
Other	1,853	-	1,853
Total Assets	\$ 28,920,038	\$ 17,466,309	\$ 46,386,347
Liabilities:			
Warrants and Accounts Payable	\$ 958,760	\$ 381,175	\$ 1,339,935
Accrued Payroll	2,714,163	12,109	2,726,272
Other	62,236	-	62,236
Bond Anticipation Notes Payable	-	1,324,985	1,324,985
Total Liabilities	3,735,159	1,718,269	5,453,428
Deferred Inflows of Resources:			
Unavailable Revenue	2,463,313	504,646	2,967,959
Fund Balances:			
Nonspendable	-	1,063,634	1,063,634
Restricted	561,641	7,407,064	7,968,705
Committed	-	7,531,006	7,531,006
Assigned	1,824,085	-	1,824,085
Unassigned	20,335,840	(758,310)	19,577,530
Total Fund Balance	22,721,566	15,243,394	37,964,960
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 28,920,038	\$ 17,466,309	\$ 46,386,347

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF AUBURN, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	\$ 43,289,634	\$ -	\$ 43,289,634
Intergovernmental	14,120,562	3,867,180	17,987,742
Excise and Other Taxes	4,168,030	-	4,168,030
Charges for Services	1,251,242	3,881,298	5,132,540
Licenses, Permits, Fees	1,319,042	-	1,319,042
Interest on Taxes	236,410	-	236,410
Investment Income	329,875	127,229	457,104
Intergovernmental - "On-behalf" Payments	7,476,795	-	7,476,795
Gifts and Donations	-	87,027	87,027
Other	-	365,776	365,776
Total Revenues	72,191,590	8,328,510	80,520,100
Expenditures:			
Current:			
General Government	3,480,129	585,736	4,065,865
Public Safety	8,590,225	879,525	9,469,750
Public Works	4,248,375	2,216,922	6,465,297
Education	28,311,883	4,277,725	32,589,608
Health and Human Services	866,622	13,868	880,490
Culture and Recreation	822,570	250,151	1,072,721
Employee Benefits and Insurance	18,786,793	-	18,786,793
State Assessments	588,083	-	588,083
Debt Service:			
Principal	4,502,309	-	4,502,309
Interest	1,182,247	-	1,182,247
Total Expenditures	71,379,236	8,223,927	79,603,163
Excess of Revenues Over (Under) Expenditures	812,354	104,583	916,937
Other Financing Sources (Uses):			
Operating Transfers In	1,455,984	125,000	1,580,984
Operating Transfers Out	(125,000)	(1,145,658)	(1,270,658)
Capital Lease	-	445,696	445,696
Total Other Financing Sources (Uses)	1,330,984	(574,962)	756,022
Net Change in Fund Balances	2,143,338	(470,379)	1,672,959
Fund Balances, Beginning of Year	20,578,228	15,713,773	36,292,001
Fund Balances, End of Year	\$ 22,721,566	\$ 15,243,394	\$ 37,964,960

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF AUBURN, MASSACHUSETTS
Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Position
For the Year Ended June 30, 2020

Total Governmental Fund Balances		\$ 37,964,960
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.		102,120,924
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		2,967,959
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.		6,932,308
Long term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:		
Bonds and leases payable	\$ (31,689,311)	
Net OPEB Liability	(43,821,105)	
Net Pension Liability	(45,559,161)	
Compensated absences	<u>(2,003,668)</u>	(123,073,245)
Internal Service funds are used by management to account for health insurance activities. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		10,456,254
In statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds interest is not reported until due.		<u>(337,205)</u>
Net Position of Governmental Activities		<u><u>\$ 37,031,955</u></u>

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF AUBURN, MASSACHUSETTS
Reconciliation of the Statement of the Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	1,672,959
<p>Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and are reported as depreciation expense:</p>		
Capital outlay purchases	\$ 3,681,721	
Depreciation	<u>(5,340,056)</u>	(1,658,335)
<p>Revenue in the statement of activities that do not provide current financial resources are fully deferred in the statement of revenues, expenditures and changes in fund balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue.</p>		
		(5,889)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:</p>		
Repayment of debt and lease principal	5,103,383	
Proceeds from capital lease	<u>(445,696)</u>	4,657,687
<p>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:</p>		
Net change in compensated absences	(864,173)	
Net change in net OPEB liability	(9,575,173)	
Net change in deferred outflow/(inflow) of resources related to OPEB	8,479,654	
Net change in net pension liability	(226,748)	
Net change in deferred outflow/(inflow) of resources related to pensions	(2,742,852)	
Net change in accrued interest on long-term debt	<u>40,573</u>	(4,888,719)
<p>Internal Service funds are used by management to account for health insurance activities:</p>		
The net activity of internal service funds is reported with governmental activities		<u>1,752,097</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,529,800</u></u>

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF AUBURN, MASSACHUSETTS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Actual Budgetary Basis	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
	Amounts Carried		Final Budget			
	Forward from Prior Year	Original Budget				
Revenues:						
Property Taxes	\$ -	\$ 43,530,793	\$ 43,396,271	\$ 43,247,634	\$ -	\$ (148,637)
Intergovernmental	-	13,854,186	13,854,186	14,120,562	-	266,376
Excise and Other Taxes	-	4,040,000	4,040,000	4,168,030	-	128,030
Charges for Services	-	1,237,000	1,237,000	1,251,242	-	14,242
Licenses, Permits, Fees	-	974,978	974,978	1,319,042	-	344,064
Interest on Taxes	-	245,000	245,000	236,410	-	(8,590)
Investment Income	-	80,000	80,000	253,863	-	173,863
Total Revenues	-	63,961,957	63,827,435	64,596,783	-	769,348
Expenditures:						
Current:						
General Government	401,717	3,977,119	4,270,166	3,480,129	407,561	382,476
Public Safety	91,917	8,600,561	8,879,787	8,590,225	132,455	157,107
Public Works	512,186	4,301,155	5,044,104	4,248,375	557,423	238,306
Education	412,813	28,490,406	28,872,290	28,311,883	557,924	2,483
Health and Human Services	6,623	846,315	949,504	866,622	29,654	53,228
Culture and Recreation	68,352	959,521	1,035,472	822,570	57,635	155,267
Employee Benefits and Insurance	35,133	12,252,264	12,133,397	11,309,998	81,433	741,966
State Assessments	-	601,118	601,118	588,083	-	13,035
Debt Service:						
Principal	-	4,502,309	4,502,309	4,502,309	-	-
Interest	-	1,182,247	1,182,247	1,182,247	-	-
Total Expenditures	1,528,741	65,713,015	67,470,394	63,902,441	1,824,085	1,743,868
Excess of Revenues Over (Under) Expenditures	(1,528,741)	(1,751,058)	(3,642,959)	694,342	(1,824,085)	2,513,216
Other Financing Sources (Uses):						
Operating Transfers In	-	1,737,824	1,755,984	1,755,984	-	-
Operating Transfers Out	-	(125,000)	(425,000)	(425,000)	-	-
Total Other Financing Sources (Uses)	-	1,612,824	1,330,984	1,330,984	-	-
Net Change in Budgetary Fund Balance	(1,528,741)	(138,234)	(2,311,975)	\$ 2,025,326	\$ (1,824,085)	\$ 2,513,216
Other Budgetary Items:						
Free Cash and Other Reserves	-	138,234	783,234			
Prior Year Encumbrances	1,528,741	-	1,528,741			
Total Other Budgetary Items	1,528,741	138,234	2,311,975			
NET BUDGET	\$ -	\$ -	\$ -			

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF AUBURN, MASSACHUSETTS
Reconciliation of Revenues and Expenditures
from Budgetary Basis to GAAP Basis
For the Year Ended June 30, 2020

	Revenues	Expenditures
Reported on a Budgetary Basis	\$ 64,596,783	\$ 63,902,441
<i>Adjustments:</i>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	76,012	-
Net Increase in Revenue from Recording 60-Day Receipts	42,000	-
Recognition of Intergovernmental Revenue - "on behalf payments"	7,476,795	-
Recognition of Expenditures - "on behalf payments"	-	7,476,795
Reported on a GAAP Basis	\$ 72,191,590	\$ 71,379,236

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF AUBURN, MASSACHUSETTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020**

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer Fund	Pakachoag Golf Course Fund	Total	
ASSETS				
CURRENT:				
Cash and Cash Equivalents	\$ 4,585,134	\$ 203,066	\$ 4,788,200	\$ 10,685,315
User Charges, net of allowance for uncollectibles	432,927	-	432,927	-
Departmental	-	-	-	525,567
Special Assessments	9,679	-	9,679	-
Total current assets	<u>5,027,740</u>	<u>203,066</u>	<u>5,230,806</u>	<u>11,210,882</u>
NONCURRENT:				
Special Assessments	52,355	-	52,355	-
Capital Assets, net of accumulated depreciation:				
Nondepreciable	543,121	-	543,121	-
Depreciable	6,758,756	210,012	6,968,768	-
Total noncurrent assets	<u>7,354,232</u>	<u>210,012</u>	<u>7,564,244</u>	<u>-</u>
Total Assets	<u><u>12,381,972</u></u>	<u><u>413,078</u></u>	<u><u>12,795,050</u></u>	<u><u>11,210,882</u></u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	158,739	17,747	176,486	-
Deferred Outflows Related to OPEB	61,236	4,063	65,299	-
Total Deferred Outflows of Resources	<u>219,975</u>	<u>21,810</u>	<u>241,785</u>	<u>-</u>
LIABILITIES				
CURRENT:				
Accounts Payable	152,785	8,565	161,350	99,522
Accrued Payroll	2,885	3,312	6,197	36
Payroll Withholdings	-	-	-	225,582
Accrued Interest	40,710	-	40,710	-
Accrued Claims	-	-	-	429,488
Bond Anticipation Notes Payable	2,200,000	-	2,200,000	-
Bonds and Leases Payable	157,000	66,502	223,502	-
Total current liabilities	<u>2,553,380</u>	<u>78,379</u>	<u>2,631,759</u>	<u>754,628</u>
NONCURRENT:				
Compensated Absences	29,030	-	29,030	-
Net OPEB Liability	354,933	23,549	378,482	-
Net Pension Liability	1,521,474	170,103	1,691,577	-
Bonds and Leases Payable	1,570,000	-	1,570,000	-
Total noncurrent liabilities	<u>3,475,437</u>	<u>193,652</u>	<u>3,669,089</u>	<u>-</u>
Total Liabilities	<u><u>6,028,817</u></u>	<u><u>272,031</u></u>	<u><u>6,300,848</u></u>	<u><u>754,628</u></u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	56,781	6,348	63,129	-
Deferred Inflows Related to OPEB	29,815	1,978	31,793	-
Total Deferred Inflows of Resources	<u>86,596</u>	<u>8,326</u>	<u>94,922</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	3,374,877	143,510	3,518,387	-
Restricted for Capital Projects	2,416,253	-	2,416,253	-
Unrestricted	695,404	11,021	706,425	10,456,254
Total Net Position	<u><u>\$ 6,486,534</u></u>	<u><u>\$ 154,531</u></u>	<u><u>\$ 6,641,065</u></u>	<u><u>\$ 10,456,254</u></u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF AUBURN, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer Fund	Pakachoag Golf Course Fund	Total	
	Fund	Fund	Fund	
Operating Revenues:				
Employer Contributions	\$ -	\$ -	\$ -	\$ 6,377,560
Employee/Retirees Contributions	-	-	-	1,948,080
Charges for Services	2,988,093	420,546	3,408,639	-
Other	18,261	-	18,261	1,916,416
Total Operating Revenues	3,006,354	420,546	3,426,900	10,242,056
Operating Expenses:				
Salaries & Wages	445,634	179,696	625,330	-
Operating Expenses	1,839,709	33,940	1,873,649	445,511
Depreciation	571,800	65,914	637,714	-
Employee Benefits and Insurance	-	-	-	8,134,546
Total Operating Expenses	2,857,143	279,550	3,136,693	8,580,057
Operating Income (Loss)	149,211	140,996	290,207	1,661,999
Non-Operating Revenues (Expenses):				
Investment Income	18,173	15,127	33,300	90,098
Special Assessments	5,985	-	5,985	-
Interest Expense	(81,226)	-	(81,226)	-
Total Non-Operating Revenues (Expenses)	(57,068)	15,127	(41,941)	90,098
Income (Loss) Before Operating Transfers	92,143	156,123	248,266	1,752,097
Operating Transfers:				
Transfers In/(Out)	(290,852)	(19,474)	(310,326)	-
Total Operating Transfers	(290,852)	(19,474)	(310,326)	-
Change in Net Position	(198,709)	136,649	(62,060)	1,752,097
Net Position at Beginning of Year (as restated)	6,685,243	17,882	6,703,125	8,704,157
Net Position at End of Year	\$ 6,486,534	\$ 154,531	\$ 6,641,065	\$ 10,456,254

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF AUBURN, MASSACHUSETTS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Enterprise Funds			
	Sewer Fund	Pakachoag Golf Course Fund	Total	
Cash Flows From Operating Activities:				
Receipts from Customers and Users	\$ 2,830,526	\$ 420,546	\$ 3,251,072	\$ -
Receipts from Other Revenues	18,261	-	18,261	1,729,972
Receipts from Interfund Services Provided	-	-	-	8,385,556
Payments to Vendors and Employees	(1,984,775)	(277,962)	(2,262,737)	-
Payments for Interfund Services Used	-	-	-	(8,756,137)
Net Cash Provided by (Used for) Operating Activities	864,012	142,584	1,006,596	1,359,391
Cash Flows from Noncapital Financing Activities:				
Transfers from (to) Other Funds	(290,852)	(19,474)	(310,326)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(290,852)	(19,474)	(310,326)	-
Cash Flows from Capital and Related Financing Activities:				
Special Assessments	58,037	-	58,037	-
Acquisition and Construction of Capital Assets	(367,490)	(32,500)	(399,990)	-
Proceeds from Bonds and Notes	2,200,000	-	2,200,000	-
Principal Payments on Bonds and Leases	(200,000)	(64,565)	(264,565)	-
Interest Expense	(60,455)	-	(60,455)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	1,630,092	(97,065)	1,533,027	-
Cash Flows from Investing Activities:				
Investment Income	18,173	15,127	33,300	90,098
Net Cash Provided by (Used for) Investing Activities	18,173	15,127	33,300	90,098
Net Increase (Decrease) in Cash and Cash Equivalents	2,221,425	41,172	2,262,597	1,449,489
Cash and Cash Equivalents at Beginning of Year	2,363,709	161,894	2,525,603	9,235,826
Cash and Cash Equivalents at End of Year	\$ 4,585,134	\$ 203,066	\$ 4,788,200	\$ 10,685,315
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:				
Operating Income (Loss)	\$ 149,211	\$ 140,996	\$ 290,207	\$ 1,661,999
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	571,800	65,914	637,714	-
Deferred (Outflows)/Inflows of Resources Related to Pensions	75,825	21,097	96,922	-
Deferred (Outflows)/Inflows of Resources Related to OPEB	225,220	83,886	309,106	-
Change in Assets and Liabilities:				
Increase (Decrease) in Warrants Payable/Accounts Payable	71,738	(5,544)	66,194	95,929
Increase (Decrease) in Accrued Payroll	(5,259)	(1,056)	(6,315)	(45)
Increase (Decrease) in Payroll Withholdings	-	-	-	59,916
Increase (Decrease) in Accrued Claims	-	-	-	(271,964)
Increase (Decrease) in Net OPEB Liability	(222,086)	(77,248)	(299,334)	-
Increase (Decrease) in Net Pension Liability	130,952	(84,063)	46,889	-
Increase (Decrease) in Compensated Absences	24,178	(1,398)	22,780	-
Decrease (Increase) in User Charges Receivable	(157,567)	-	(157,567)	-
Decrease (Increase) in Departmental	-	-	-	(186,444)
Total Adjustments	714,801	1,588	716,389	(302,608)
Net Cash Provided by (Used for) Operating Activities	\$ 864,012	\$ 142,584	\$ 1,006,596	\$ 1,359,391

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF AUBURN, MASSACHUSETTS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 1,765	\$ 149,113
Investments	5,497,786	106,062	-
Total Assets	5,497,786	107,827	149,113
LIABILITIES			
Warrants Payable	-	-	2,049
Escrows and Deposits	-	-	23,381
Due to Students	-	-	123,683
Total Liabilities	-	-	149,113
NET POSITION			
Held in Trust for Other Purposes	\$ 5,497,786	\$ 107,827	\$ -

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF AUBURN, MASSACHUSETTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
Additions		
Contributions:		
Employer	\$ 3,010,096	\$ -
Plan Members	31,069	-
Private Donations	-	1,298
Total Contributions	3,041,165	1,298
Investment Income	155,241	2,033
Total Additions	3,196,406	3,331
Deductions:		
Educational Scholarships	-	8,700
Employee Benefits and Insurance	2,410,096	-
Total Deductions	2,410,096	8,700
Change in Net Position	786,310	(5,369)
Net Position at Beginning of Year	4,711,476	113,196
Net Position at End of Year	\$ 5,497,786	\$ 107,827

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Auburn, Massachusetts (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant Town accounting policies are described herein.

A. Reporting Entity

The Town was incorporated in 1778 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected five-member Board of Selectmen.

For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. In fiscal year 2020, it was determined that no entities met the required GASB-39 and GASB-61 criteria for component units.

The Town is responsible for electing the governing board and/or committee members of the Auburn Housing Authority, Auburn Water District, Elm Hill Water District, Woodland Water District, Southern Worcester County Regional Vocational School District, and the Upper Blackstone Water Pollution Abatement District. These related organizations are excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing the board members. Audited financial statements are available from the respective organizations. Descriptions of the related organizations follow:

Auburn Housing Authority - A public housing agency that provides housing assistance to eligible and qualified low and moderate income families, the elderly and handicapped. The housing authority is an autonomous and self-sufficient agency under the State Executive Office of Communities and Development. The Town has no significant influence over management, budget or policies of the authority.

Auburn Water District, Elm Hill Water District and Woodland Water District – Water districts which provide water services to the residents of the Town. The districts are autonomous and self-sufficient units under the General Laws of the Commonwealth of Massachusetts. The Town has no significant influence over management, budget or policies of the districts.

Southern Worcester County Regional Vocational School District - A regional school district made up of ten communities to serve and provide a learning environment in specific career areas. The regional school district is a separate entity under the Commonwealth of Massachusetts. The Town elects two district committee members for its representation. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

Upper Blackstone Water Pollution Abatement District - A district made up of the Town of Auburn and the City of Worcester that provides treatment for sewerage. The district is responsible for the operating costs related to the district and operates independently from the Town.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

B. Government-Wide and Fund Financial Statements

Government-wide financial statements

The government-wide financial statements (e.g., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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*.

Fund financial statements

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 and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and displayed in a single column.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and change in net position.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets, liabilities, revenues or expenditures/expenses of an individual governmental fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental funds),

and

- If the total assets, liabilities, revenues or expenditures/expenses of the individual governmental funds are at least 5 percent of the corresponding element for all governmental funds combined.

Additionally, any other governmental fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Proprietary and fiduciary funds are reported by fund type.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

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

Government-wide financial statements

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 recognized 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

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 Town's enterprise funds and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues of 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, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported.

Fund financial statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Under the modified accrual basis concept, 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 thereafter to be used to pay current liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, excises and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The Town reports the following major governmental funds:

The *general fund* is the government'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 Town reports the following major proprietary funds:

The *sewer fund* is used to account for the sewer activities.

The *Pakachoag Golf Course fund* is used to account for golf course activities.

The *internal service fund* is used to account for the activity in the health insurance fund.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

The non-major governmental fund consists of other special revenue, capital projects and permanent funds that are aggregated and presented in the *non-major governmental funds*' column on the governmental funds' financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise and Trust Funds).

The *permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Additionally, the Town reports the following fund types:

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the government programs. The Town reports the following fiduciary funds:

The *Other Post Employment Benefit (OPEB) Trust Fund* is used to account for the assets held by the Town in trust for the payment of future retiree health insurance benefits. The assets of the OPEB Trust Fund cannot be used to support the Town's operations.

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

The *agency fund* is used to account for assets held in a purely custodial capacity.

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

D. Cash and Cash Equivalents

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. The Town maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption, "cash and cash equivalents".

Excluding the permanent funds, investment income derived from major and non-major governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Laws (MGL).

Investment income from proprietary funds is maintained in those funds.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

E. Investments

The Town maintains investments according to Massachusetts General Laws and adopted policies. Investments are reported according to the fair value hierarchy established by generally accepted accounting principles. Investments are defined as securities or other assets that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is based upon valuation inputs, which are assumptions that market participants would use when pricing an asset or a liability, including assumptions about risk.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 inputs are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are indirectly observable for the asset or liability.

Level 3 inputs are unobservable for the asset or liability.

Certain investments, such as money market investments and 2a7-like external investment pools, are reported at amortized cost. 2a7-like pools are external investment pools that operate in conformity with the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended and should be measured at the net asset value per share provided by the pool.

Additional investment disclosures are presented in these Notes.

F. Receivables

The recognition of revenues related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

Property Taxes, Deferred Property Taxes, Tax Liens, and Taxes in Litigation

Property taxes are based on assessments as of January 1, 2019 and include betterments, special assessments and liens. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The Town has accepted the quarterly tax payment system. Under the quarterly tax payment system, the assessors make a preliminary tax commitment based on the prior year's net tax and may not exceed, with limited exceptions, fifty percent of that amount. The collector must mail preliminary tax bills each year by July 1st. The preliminary tax is payable in two equal installments. The first installment is due on August 1st and the second installment is due on November 1st. After the Town sets the tax rate, the assessors make the actual tax commitment. If actual bills are mailed on or before December 31st, the balance remaining is payable in two equal installments. The first installment is due on February 1st and the second installment is due on May 1st. If bills are mailed after December 31st, the entire balance is not due until May 1st or thirty days after the bills were mailed, whichever is later. Any betterments, special assessments and other charges are added to the actual bills. Interest at the rate of 14% is charged on the amount of any preliminary tax or actual tax installment payment that is unpaid and delinquent and is charged only for the number of days the payment is actually delinquent. If actual tax bills are mailed after December 31st, interest will be computed from May 1st, or the payment due date, whichever is later. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

The Town mailed preliminary tax bills for the fiscal year 2020 on June 28, 2019 and September 30, 2019, that were due on August 1, 2019 and November 1, 2019 and actual bills on December 31, 2019 and March 31, 2020 that were due on February 1, 2020 and May 1, 2020.

The Commonwealth of Massachusetts electorate in November, 1980, passed legislation known as Proposition 2 1/2, in order to limit the amount of revenue to be raised by taxation. The purpose of the legislation was to control the levy of taxes that are assessed to property owners of a Town. The legal levy limit under Proposition 2 1/2 for fiscal year 2020 is as follows:

Legal Levy Limit Under Proposition 2 1/2 for fiscal year 2020	\$ 46,875,534
Add: Debt Exclusion	<u>2,935,281</u>
Maximum Allowable Levy	<u><u>\$ 49,810,815</u></u>

The total amount raised by taxation was \$43,863,283.

The allowance for uncollectible accounts is based on historical trends and specific account analysis.

Excise Taxes

Excise taxes consist of motor vehicle excise. Excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the fiscal year of levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair value of those vehicles.

The tax calculation is the fair value of the vehicle multiplied by the \$25 per \$1,000 of value.

The allowance for uncollectibles is based on historical trends and specific account analysis.

User Charges

User charges and fees consist of sewer that is levied annually based on individual meter readings and are subject to penalties and interest if not paid by the respective due date. Sewer liens are processed each year and are included as a lien on the property owner's tax bill. Sewer charges and liens are recorded as receivables in the fiscal year of the levy.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

Departmental

Departmental receivables consist primarily of trash fees, ambulance fees, stop-loss claims and police off-duty details.

The allowance for uncollectibles relates to trash fees, ambulance fees and police off duty are based upon historical trends. The other departmental receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Special Assessments

Special assessments consist of the sewer betterments in the business-type funds.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

Due from Other Governments

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

G. Capital Assets

Capital assets, which include land, construction in progress, buildings and renovations, machinery, equipment and other, and infrastructure assets (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value.

All purchase and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of fixed assets are as follows:

Capital Asset Type	Years
Buildings and renovations	20-40
Machinery, equipment and other	3-10
Infrastructure	20-50

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

H. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as operating transfers in and operating transfers out.

In the government-wide financial statements, operating transfers between and within governmental funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers net".

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

In the fund financial statements, operating transfers between and within funds are not eliminated from the individual fund statements and are reported as operating transfers in and operating transfers out.

I. Deferred Outflows/Inflows of Resources

Government-wide financial statements

The government-wide financial statements *Statement of Net Position* includes a separate section, listed below total assets, for *deferred outflows of resources*. This represents the usage of net position applicable for future period(s) and will not be recognized as expenditures until the future period to which it applies. Currently, the items in this category are *deferred outflows related to pensions and deferred outflows related to OPEB*.

In addition to liabilities, the *Statement of Net Position* will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the items in this category are *deferred inflows related to pensions and deferred inflows related to OPEB*.

Fund financial statements

In addition to liabilities, the governmental funds 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, which arises only under a modified accrual basis of accounting that qualifies in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for the Town's property, excise and other taxes; departmental receipts, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

J. Net Position and Fund Balances

In the Government-Wide financial statements, the difference between the Town's total assets, deferred outflows of resources, total liabilities and deferred inflows of resources represents net position. Net position displays three components – net investment in capital assets; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net position available for future operations.

Net position classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net position has been "restricted for" the following:

"Capital projects" represents amounts restricted for capital purposes.

"Federal and state grants" represents amounts restricted by the federal and state government for various programs.

"Debt service" represents funds that are reserved for future years' debt service.

"Permanent funds – nonexpendable" represents amounts held in trust for which only investment earnings may be expended.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

“Permanent funds – expendable” represents amounts held in trust for which the expenditures are restricted by various trust agreements.

“Other purposes” represents restrictions placed on assets from outside parties.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of those resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority, which is the Town meeting action and can be modified or rescinded only through these actions. Committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit.

Assigned fund balance. This classification reflects the amounts constrained by the Town’s “intent” to be used for specific purposes, but are neither restricted nor committed. Department heads and Town board/committees have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When the restricted and other fund balance resources are available for use, it is the Town’s policy to use restricted resources first, followed by committed, assigned, and unassigned amounts respectively.

K. Long-term Debt

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position.

The face amount of governmental funds long-term debt is reported as other financing sources.

L. Compensated Absences

The Town grants to employees sick and vacation leave in varying amounts based upon length of service and in accordance with various individual union contracts. Upon retirement, termination, or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

M. Pension Benefits

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Worcester Regional Retirement System (the System) and the Massachusetts Teachers Retirement System (MTRS) are provided. Additions to and deductions from the fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable according with the benefit terms. Investments are reported at their fair value.

N. Post Retirement Benefits

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with MGL, Chapter 32, on a pay-as-you-go basis. The cost of providing health insurance is recognized by recording the employer's share of insurance premiums for retirees, spouses and surviving spouses in the general fund in the fiscal year paid.

O. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

P. Total Column

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is adopted for the Town's General Fund. Although legislative approval is required for the acceptance of grants, capital projects, and borrowing authorizations, annual budgets are not prepared for any other fund; therefore, comparison of budget to actual is only presented for the General Fund.

The Town must establish its property tax rate each year so that the property tax rate levy will comply with the limits established by Proposition 2 1/2, as amended, and also equal the sum of (a) the aggregate of all annual appropriations for expenditures, plus (b) provision for prior year deficits, if any, less (c) the aggregate of all non-property tax revenues estimated to be received, including available funds.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

The Town follows these procedures in establishing the General Fund budgetary data as reflected in the financial statements:

- Estimates are submitted by departments to the Chief Financial Officer and Town Manager on or before the second Monday in January.
- The Chief Financial Officer prepares and administers the Town budget.
- Budgets are given to the finance committee for review by the first week in March.
- Finance committee reviews budget requests, prepares a budget report and recommendations which is distributed to Town meeting members prior to the annual Town meeting.
- The budget is legally enacted by vote of Town meeting members at the annual Town meeting.
- Supplemental appropriations may be made from available funds after the setting of the tax rate with Town meeting approval.
- Throughout the year appropriations may be transferred between departments with Town meeting approval.
- The Town Manager can also present an alternative budget at the Town Meeting if there is not a finance committee consensus.

Massachusetts law requires cities and towns to provide a balanced budget. Section 23 of Chapter 59 of the Massachusetts General Laws states, in part,

"The assessors shall annually assess taxes to an amount not less than the aggregate of all amounts appropriated, granted or lawfully expended by their respective towns (cities) since the preceding annual assessment and not provided for therein . . . "

For fiscal year 2020, the Town incurred a final budget deficit of \$2,311,975 for the General Fund.

The Town voted from the following sources to fund the deficit budget during the fiscal year:

Unassigned fund balance:	
Free cash votes	\$ 645,000
Overlay surplus	53,000
Reserve for debt	85,234
Prior year's encumbrances	1,528,741
	\$ 2,311,975
	\$ 2,311,975

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

B. Deficit Fund Balances

The following funds have deficits at June 30, 2020 as measured by the balances of unassigned fund balance.

- The *LED streetlights* capital project fund has a deficit of \$88,251. The Town has an outstanding bond anticipation note for \$97,985. The deficit will be eliminated upon the issuance of permanent debt.
- The *Fiscal Year 2020 general obligation bond* capital project funds have deficits totaling \$229,844. The Town has outstanding bond anticipation notes for \$727,000. The deficit will be eliminated upon the issuance of permanent debt.
- The *road construction* capital project fund has a deficit of \$306,745. The Town has an outstanding bond anticipation note for \$500,000. The deficit will be eliminated upon the issuance of permanent debt.
- The *highway grant* special revenue fund has a deficit of \$3,978. This deficit will be eliminated upon the future receipt of funds or through appropriation.
- The *State 911 training grants* special revenue funds (2014 through 2020) have deficits totaling \$11,121. Many of these deficits will be eliminated through appropriation.
- The *State 911 support and incentive grants* special revenue funds (2014 through 2020) have deficits totaling \$3,764. Many of these deficits will be eliminated through appropriation.
- The *State homeland security grant* (2010) special revenue fund has a deficit of \$354. This deficit will be eliminated through appropriation.
- The *Massachusetts emergency management agency hazmat drill grant* (2020) special revenue fund has a deficit of \$1,327. This deficit will be eliminated upon the future receipt of funds or upon appropriation.
- The *Massachusetts management performance sign board grant* special revenue fund has a deficit of \$25,000. This deficit will be eliminated upon the future receipt of funds or upon appropriation.
- The *Federal emergency management agency COVID-19 grant* special revenue fund has a deficit of \$87,926. This deficit will be eliminated upon the future receipt of funds or upon appropriation.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

3. DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risks – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. Deposits at June 30, 2020 were \$47,768,917. Of these, none are exposed to custodial credit risk as uninsured and uncollateralized.

Investment Policies

Investments of funds, except for trust funds, are generally restricted by Massachusetts General Laws, Chapter 44, Section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposit of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

The MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer's office. According to the State Treasurer, the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U. S. Government obligations and highly-rated corporate securities with maturities of one year or less. The MMDT is an external investment pool that meets the criteria established under GASB Statement No. 79 to report its investments at amortized cost. MMDT's fair value is measured at amortized cost.

As of June 30, 2020, the Town had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 to 5	6 to 10
Debt Securities:				
U. S. treasury obligations	\$ 1,307,471	\$ 500,725	\$ 806,746	\$ -
U. S. government agencies	1,190,810	-	808,836	381,974
Bond mutual funds	1,979,118	1,979,118	-	-
Corporate bonds	3,786,835	251,620	3,535,215	-
Money market mutual fund	399,940	399,940	-	-
	<u>8,664,174</u>	<u>\$ 3,131,403</u>	<u>\$ 5,150,797</u>	<u>\$ 381,974</u>
Other Investments:				
Certificate of deposits	1,546,951			
Equity mutual funds	3,491,227			
Equity securities - domestic (stocks)	1,257,644			
MMDT	286,632			
	<u>\$ 15,246,628</u>			

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Custodial Credit Risks

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Town's \$15,246,628 in investments, none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the Town's name. The Town has no policy on custodial credit risk.

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Town's exposure to credit risk as of June 30, 2020 is as follows:

Related Debt Instruments	Fair Value
Moody's Quality Ratings	
<i>U. S. Treasury Obligations:</i>	
Aaa	\$ 1,307,471
<i>U. S. Government Agencies:</i>	
Aaa	1,190,810
<i>Corporate Bonds:</i>	
Aaa	688,631
A1	415,258
A2	1,160,836
A3	392,777
Baa1	1,129,333
<i>Bond Mutual Funds:</i>	
Not rated	1,979,118
<i>Money Market Mutual Funds:</i>	
Not rated	399,940
	\$ 8,664,174

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in one issuer. More than 5 percent of the Town's investments are Federal Farm Credit Banks amounting to 5.18% of the Town's total investments.

Fair Value of Investments

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

The Town has the following recurring fair value measurements as of June 30, 2020:

Investment Type	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
U. S. treasury obligations	\$ 1,307,471	\$ 1,307,471	\$ -	\$ -
U. S. government agencies	1,190,810	1,190,810	-	-
Certificates of deposit	1,546,951	1,546,951	-	-
Equity mutual funds	3,491,227	3,491,227	-	-
Equity securities - domestic	1,257,644	1,257,644	-	-
Money market mutual fund	399,940	399,940	-	-
Bond mutual funds	1,979,118	-	1,979,118	-
Corporate bonds	3,786,835	-	3,786,835	-
	<u>14,959,996</u>	<u>\$ 9,194,043</u>	<u>\$ 5,765,953</u>	<u>\$ -</u>
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	<u>286,632</u>			
Total Investments	<u>\$ 15,246,628</u>			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

Investments classified in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

B. Receivables

At June 30, 2020, receivables for the individual major governmental funds and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and nonmajor governmental funds:			
Property taxes	\$ 1,190,218	\$ (162,528)	\$ 1,027,690
Deferred property taxes	17,584	(2,451)	15,133
Tax liens	1,031,765	-	1,031,765
Excise taxes	424,572	(103,310)	321,262
Departmental	1,173,581	(551,002)	622,579
Due from other governments	1,829,259	-	1,829,259
	<u>\$ 5,666,979</u>	<u>\$ (819,291)</u>	<u>\$ 4,847,688</u>

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

At June 30, 2020, receivables for the business-type activities consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Sewer Fund:			
Sewer user charges	\$ 389,360	\$ (4,000)	\$ 385,360
Sewer tax liens	47,567	-	47,567
Special assessments	62,034	-	62,034
	\$ 498,961	\$ (4,000)	\$ 494,961

The composition of amounts due from other governments as of June 30, 2020 for governmental funds is as follows:

General Fund:			
Commonwealth of Massachusetts:			
Department of Revenue:			
Veterans, blind and surviving spouses	\$	222,304	
Department of Veterans Services:			
Veterans benefits		91,230	\$ 313,534
Nonmajor Governmental Funds:			
U.S. Department of Agriculture:			
School lunch		29,701	
U.S. Department of Education:			
School title grants		30,105	
U.S. Department of Homeland Security:			
Federal Emergency Management Agency:			
Staffing for Adequate Fire and Emergency Response		45,536	
U.S. Department of the Treasury:			
Pass Through Commonwealth of Massachusetts:			
Department of Revenue:			
Coronavirus relief fund		119,070	
Massachusetts Emergency Management Agency:			
Emergency Management Performance Grant		4,310	
Commonwealth of Massachusetts:			
Department of Elementary and Secondary Education:			
School lunch		287	
School title grants		8,100	
Department of Revenue:			
School Choice		34,621	
Executive Office of Environmental Affairs:			
Leesville Pond Dam grant		140,861	
Executive Office of Public Safety and Homeland Security:			
Public safety grants		32,535	
Other:			
Massachusetts Department of Transportation:			
Highway Department - Chapter 90 funds		1,070,599	1,515,725
		\$	1,829,259

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

C. Deferred Inflows of Resources – Unavailable Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

General Fund:			
Property taxes	\$	865,690	
Deferred property taxes		15,133	
Tax liens		1,031,765	
Excise taxes		321,262	
Departmental		138,233	
Due from other governments		91,230	\$ 2,463,313
Nonmajor Governmental Funds:			
Departmental		451,423	
Due from other governments		53,223	504,646
			\$ 2,967,959

D. Capital Assets

Capital asset activities for the year ended June 30, 2020 is as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 8,755,263	\$ -	\$ -	\$ 8,755,263
Total capital assets not being depreciated	8,755,263	-	-	8,755,263
Capital assets being depreciated:				
Buildings and Renovations	111,556,719	450,000	-	112,006,719
Machinery, equipment and other	14,165,227	571,708	-	14,736,935
Infrastructure	31,663,807	2,660,013	-	34,323,820
Total capital assets being depreciated	157,385,753	3,681,721	-	161,067,474
Less accumulated depreciation for:				
Buildings and Renovations	34,432,811	3,388,130	-	37,820,941
Machinery, equipment and other	10,650,903	891,727	-	11,542,630
Infrastructure	17,278,043	1,060,199	-	18,338,242
Total accumulated depreciation	62,361,757	5,340,056	-	67,701,813
Total capital assets being depreciated, net	95,023,996	(1,658,335)	-	93,365,661
Total governmental activities capital assets, net	\$ 103,779,259	\$ (1,658,335)	\$ -	\$ 102,120,924

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 503,030	\$ -	\$ -	\$ 503,030
Construction in progress	1,284,353	48,918	(1,293,180)	40,091
Total capital assets not being depreciated	<u>1,787,383</u>	<u>48,918</u>	<u>(1,293,180)</u>	<u>543,121</u>
Capital assets being depreciated:				
Buildings and Renovations	4,833,213	-	-	4,833,213
Machinery, equipment and other	2,306,585	78,530	-	2,385,115
Infrastructure	18,788,238	1,459,557	-	20,247,795
Total capital assets being depreciated	<u>25,928,036</u>	<u>1,538,087</u>	<u>-</u>	<u>27,466,123</u>
Less accumulated depreciation for:				
Buildings and Renovations	4,316,724	96,664	-	4,413,388
Machinery, equipment and other	1,894,883	121,592	-	2,016,475
Infrastructure	13,648,034	419,458	-	14,067,492
Total accumulated depreciation	<u>19,859,641</u>	<u>637,714</u>	<u>-</u>	<u>20,497,355</u>
Total capital assets being depreciated, net	<u>6,068,395</u>	<u>900,373</u>	<u>-</u>	<u>6,968,768</u>
Total business-type activities capital assets, net	<u>\$ 7,855,778</u>	<u>\$ 949,291</u>	<u>\$ (1,293,180)</u>	<u>\$ 7,511,889</u>

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

Governmental Activities:

General government	\$ 47,534
Public safety	670,655
Public works	1,201,010
Education	3,140,808
Health and human services	60,730
Culture and recreation	219,319
Total depreciation expense - governmental activities	<u>\$ 5,340,056</u>

Business-Type Activities:

Sewer fund	\$ 571,800
Pakachoag golf course fund	65,914
Total depreciation expense - business-type activities	<u>\$ 637,714</u>

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

E. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2020 are summarized below:

Transfers Out:	Transfers In:		
	General fund	Nonmajor Governmental fund	Total
General fund	\$ -	\$ 125,000	\$ 125,000
Nonmajor governmental funds	1,145,658	-	1,145,658
Business-type fund	310,326	-	310,326
Total transfers out	<u>\$ 1,455,984</u>	<u>\$ 125,000</u>	<u>\$ 1,580,984</u>

F. Leases

The Town has entered into lease agreements as lessee for financing of the government activities police department, fire department and highway vehicles and equipment, and the high school athletic field; and business-type activities golf course carts. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through the capital leases are as follows:

Asset:	Governmental Activities	Business-type Activities
Machinery, Equipment and Other	\$ 4,016,551	\$ 393,929
Less: Accumulated Depreciation	(1,406,571)	(227,013)
Total	<u>\$ 2,609,980</u>	<u>\$ 166,916</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 are as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities
2021	\$ 602,371	\$ 68,266
2022	449,331	-
2023	291,584	-
2024	291,584	-
2025	40,000	-
Total minimum lease payments	1,674,870	68,266
Less: amount representing interest	(135,952)	(1,764)
Present value of minimum lease payments	<u>\$ 1,538,918</u>	<u>\$ 66,502</u>

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

G. Short-Term Financing

Under the general laws of the Commonwealth and with the appropriate local authorization the Town is authorized to borrow funds on a temporary basis to (1) fund current operations prior to the collection of revenues, by issuing revenue anticipation notes, (2) fund grants prior to reimbursements, by issuing grant anticipation notes, and (3) fund capital projects costs incurred prior to selling permanent debt by issuing bond anticipation notes.

Details related to the short-term debt activity of the governmental type activities are as follows:

Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2019	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2020
Governmental Activities						
Bond Anticipation Notes:						
LED streetlights	1.58%	11/6/2020	\$ -	\$ 97,985	\$ -	\$ 97,985
Road reconstruction	1.58%	11/6/2020	-	500,000	-	500,000
School equipment and buildings' improvements	1.58%	11/6/2020	-	645,000	-	645,000
Town miscellaneous equipment	1.75%	11/6/2020	-	82,000	-	82,000
Total Governmental Activities			\$ -	\$ 1,324,985	\$ -	\$ 1,324,985

Details related to the short-term debt activity of the business type fund are as follows:

Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2019	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2020
Business-Type Activities:						
Bond Anticipation Notes:						
Sewer project	1.58%	11/6/2020	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000

H. Long Term Debt

General Obligation Bonds

The Town 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.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

General obligation bonds currently outstanding of the governmental type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2020
Inside Debt:					
General Obligation Bonds 2012:					
Departmental Equipment	1.30%	3/22/2012	3/15/2026	\$ 666,000	\$ 30,000
Drainage and Road improvements	1.40%	3/22/2012	3/15/2021	280,000	25,000
Recreational Facility	1.80%	3/22/2012	3/15/2026	4,300,000	1,700,000
Remodeling projects	1.40%	3/22/2012	3/15/2021	1,157,500	125,000
General Obligation Bonds 2013	.84-1.47%	1/15/2013	1/15/2023	4,434,027	830,000
General Obligation Bonds 2014:					
School Construction	2.0-4.0%	4/1/2014	6/1/2024	9,970,000	4,235,000
Land Acquisition	2.0-4.0%	4/1/2014	6/1/2024	755,000	330,000
Municipal Purpose Loan 2014:					
Various projects	2.63%	9/15/2014	9/15/2034	1,827,667	770,000
Land Acquisition	2.63%	9/15/2014	9/15/2020	150,000	25,000
School Construction	2.63%	9/15/2014	9/15/2020	795,000	135,000
General Obligation Bonds 2015:					
Various projects	2.52%	9/1/2015	9/1/2025	2,659,500	1,288,000
Land Acquisition	2.52%	9/1/2015	9/1/2025	2,865,000	1,710,000
Road improvements	2.52%	9/1/2015	9/1/2025	2,200,000	132,000
Municipal Purpose Loan 2017:					
Various projects	1.93%	9/5/2017	9/1/2027	1,456,000	1,074,000
Municipal Purpose Loan 2019:					
Departmental Equipment	2.48%	3/13/2019	3/15/2024	196,000	156,000
School Construction	2.48%	3/13/2019	3/15/2029	293,000	262,000
LED Streetlight Conversion	2.48%	3/13/2019	3/15/2028	108,000	96,000
Massachusetts Clean Water Trust:					
Stormwater Development	2.00%	3/18/2009	7/15/2028	346,216	172,393
Total Inside Debt					<u>13,095,393</u>
Outside Debt:					
Municipal Purpose Loan 2014:					
Middle School Construction	2.63%	9/15/2014	9/15/2034	13,653,000	10,220,000
Municipal Purpose Loan 2015:					
Middle School Construction	2.52%	9/1/2015	9/1/2025	5,000,000	4,000,000
Municipal Purpose Loan 2017:					
Middle School Construction	2.05%	9/5/2017	9/1/2032	1,800,000	1,556,000
Municipal Purpose Loan 2019:					
Middle School Construction	2.48%	3/13/2019	3/15/2034	1,342,000	1,279,000
Total Outside Debt					<u>17,055,000</u>
Total governmental type debt					<u><u>\$ 30,150,393</u></u>

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Future Debt Service

The annual principal and interest payments to retire all governmental type fund general obligation long-term debt outstanding as of June 30, 2020 are as follows:

Year	Principal	Interest	Total
2021	\$ 4,215,659	\$ 1,023,334	\$ 5,238,993
2022	3,885,015	877,802	4,762,817
2023	3,668,379	715,688	4,384,067
2024	3,551,750	565,579	4,117,329
2025	2,131,129	432,613	2,563,742
2026-2030	6,992,461	1,380,404	8,372,865
2031-2035	5,456,000	459,062	5,915,062
2036	250,000	4,219	254,219
	\$ 30,150,393	\$ 5,458,701	\$ 35,609,094

General obligation bonds currently outstanding of the business-type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2020
Sewer Fund:					
Outside Debt:					
Sewer system repairs	1.86%	3/22/2012	3/15/2026	\$ 1,200,000	\$ 510,000
Sewer mains	2.52%	9/1/2015	9/1/2035	1,300,000	1,040,000
Sewer mains	2.48%	3/13/2019	3/15/2034	186,000	177,000
Total Business-type debt					\$ 1,727,000

Future Debt Service

The annual principal and interest payments to retire all business-type long-term debt outstanding as of June 30, 2020 are as follows:

Year	Principal	Interest	Total
2021	\$ 157,000	\$ 54,516	\$ 211,516
2022	158,000	49,541	207,541
2023	160,000	44,191	204,191
2024	162,000	38,529	200,529
2025	163,000	33,091	196,091
2026-2030	478,000	107,059	585,059
2031-2035	384,000	41,519	425,519
2036	65,000	1,097	66,097
	\$ 1,727,000	\$ 369,543	\$ 2,096,543

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

A summary of the changes in governmental activities and business-type long-term liabilities during the year is as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due within One Year
Governmental activities:					
Bonds Payable:					
General obligation bonds	\$ 34,463,000	\$ -	\$ 4,485,000	\$ 29,978,000	\$ 4,198,000
Massachusetts Clean Water Trust bonds	189,702	-	17,309	172,393	17,659
Capital lease	1,694,296	445,696	601,074	1,538,918	541,604
Compensated absences	1,139,495	864,173	-	2,003,668	500,917
Net OPEB liability	33,849,356	9,971,749	-	43,821,105	-
Net pension liability	45,332,414	226,747	-	45,559,161	-
Governmental activity					
Long-term liabilities	<u>\$ 116,668,263</u>	<u>\$ 11,508,365</u>	<u>\$ 5,103,383</u>	<u>\$ 123,073,245</u>	<u>\$ 5,258,180</u>
Business-type activities:					
Bonds Payable:					
General obligation bonds	\$ 1,927,000	\$ -	\$ 200,000	\$ 1,727,000	\$ 157,000
Capital lease	131,067	-	64,565	66,502	66,502
Compensated absences	6,250	24,178	1,398	29,030	-
Net OPEB liability	677,816	-	299,334	378,482	-
Net pension liability	1,644,688	46,889	-	1,691,577	-
Business-type activity					
Long-term liabilities	<u>\$ 4,386,821</u>	<u>\$ 71,067</u>	<u>\$ 565,297</u>	<u>\$ 3,892,591</u>	<u>\$ 223,502</u>

Massachusetts Clean Water Trust (MCWT)

The Town has principal in the amount of \$346,216 and interest costs of \$72,380 for one loan which the Town has borrowed from MCWT. The gross amount outstanding at June 30, 2020 for principal and interest combined for the loan is \$188,367. Since the Town is legally obligated for the total amount of the debt, such amounts for the gross principal have been recorded on the financial statements.

Legal Debt Limit

Under Section 10 of Chapter 44 of the Massachusetts General Laws a Town may authorize indebtedness up to a limit of five percent of its equalized valuation of the Town. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." The Town's inside debt at June 30, 2020 totaled \$13,605,393.

In addition, the Town is authorized to incur debt outside of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

The following is a computation of the legal debt limit as of June 30, 2020:

Equalized Valuation-Real Estate and Personal Property (2018)		<u>\$ 2,175,990,900</u>
Debt Limit: 5 % of Equalized value		108,799,545
Total Debt Outstanding	\$ 31,877,393	
Less: Debt Outside Debt Limit	<u>(18,272,000)</u>	<u>13,605,393</u>
Inside Debt Excess Borrowing Capacity at June 30, 2019		<u>\$ 95,194,152</u>

Loans Authorized and Unissued - Memorandum Only

Under the general laws of the Commonwealth of Massachusetts a Town must authorize debt at a Town meeting. This authorized debt does not have to be actually issued at that time and remains authorized until the debt is actually issued or Town meeting votes to rescind the authorized debt. Loan authorizations that have not been issued as of June 30, 2020 and are not reflected in the Town's financial statements are as follows:

Date Town Meeting Authorized	Purpose	Amount
5/6/2014	Fy2015 capital improvement program	\$ 50,000
5/7/2019	Fy2020 capital improvement program	115,000
5/7/2019	Mass.DOT Auburn Street Reconstruction	700,000
6/2/2020	FY 2021 Capital Improvement Budget	720,000
6/2/2020	Sewer main replacement	<u>300,000</u>
		<u>\$ 1,885,000</u>

Overlapping Debt

The Town pays assessments which include debt service payments to other local governmental units providing services within the Town's boundaries (commonly referred to as overlapping debt). The following summary sets forth the long-term debt of the governmental unit, the estimated share of such debt being serviced by the Town and the total of its share of estimated indirect debt.

	<u>Current Year's Long Term Debt</u>	<u>Town's Estimated Share</u>	<u>Town's Estimated Indirect Debt</u>
Southern Worcester County Regional Vocational School District: School Construction	\$ 23,965,000	14.76%	<u>\$ 3,537,234</u>

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

I. Fund Balances

The following is a summary of the Governmental fund balances at the year ended June 30, 2020:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Permanent funds	\$ -	\$ 1,063,634	\$ 1,063,634
Restricted:			
Federal, state and local grants	-	260,467	260,467
School federal and state grants	-	292,023	292,023
School revolving funds	-	2,275,666	2,275,666
Town revolving funds	-	577,592	577,592
Donations and gifts	-	188,361	188,361
Technology	-	658,376	658,376
Debt service	561,641	451	562,092
High school gymnasium health and recreation trust	-	530,339	530,339
Capital projects	-	1,310,553	1,310,553
Permanent funds	-	724,026	724,026
Other	-	589,210	589,210
	<u>561,641</u>	<u>7,407,064</u>	<u>7,968,705</u>
Committed:			
Ambulance	-	3,958,242	3,958,242
Capital improvements trust	-	1,584,192	1,584,192
Pension reserve fund	-	1,488,733	1,488,733
Special Education Reserve Fund	-	499,839	499,839
	-	<u>7,531,006</u>	<u>7,531,006</u>
Assigned:			
General government	407,561	-	407,561
Public safety	132,455	-	132,455
Public works	557,423	-	557,423
Education	557,924	-	557,924
Health and human services	29,654	-	29,654
Culture and recreation	57,635	-	57,635
Employee benefits and Insurance	81,433	-	81,433
	<u>1,824,085</u>	-	<u>1,824,085</u>
Unassigned:			
General Fund	20,335,840	-	20,335,840
Deficit special revenue funds	-	(133,469)	(133,469)
Deficit capital projects	-	(624,841)	(624,841)
	<u>20,335,840</u>	<u>(758,310)</u>	<u>19,577,530</u>
Total Governmental fund balances	<u>\$ 22,721,566</u>	<u>\$ 15,243,394</u>	<u>\$ 37,964,960</u>

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

J. Special Trust Funds

Stabilization Fund

Massachusetts General Laws, Chapter 40, Section 5B, allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body. Any interest shall be added to and become a part of the fund.

At June 30, 2020 the balances in the stabilization funds are reported in the General Fund as unassigned fund balance consisting of the following:

General purpose stabilization fund	\$	3,419,943
School stabilization fund		5,640
		\$ 3,425,583

4. OTHER INFORMATION

A. Risk Management

Health Insurance

The Town is self-insured for its health insurance activities. These activities are accounted for in the internal service fund where revenues are recorded when earned and expenses are recorded when the liability is incurred.

Liabilities are reported when it is possible that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many factors. Accordingly, claims are reevaluated periodically to consider the effect of inflation, recent claims settlement trends, and other economic and social factors.

The Town estimates is Incurred But Not Reported (IBNR) claims based on a historical analysis of the timing of claims paid. The Town purchases stop loss insurance for claims in excess of coverage provided by the Town in the amount of \$100,000. At June 30, 2020, the amount of the liability for health insurance claims totaled \$429,488. This liability is the best estimate based on available information.

The Town's changes in the reported liability for the fiscal years ended June 30, 2020 and the two preceding years are as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year End
Fiscal Year 2020	\$ 701,452	\$ 7,356,735	\$ (7,628,699)	\$ 429,488
Fiscal Year 2019	\$ 598,451	\$ 8,432,605	\$ (8,329,604)	\$ 701,452
Fiscal Year 2018	\$ 311,161	\$ 6,011,267	\$ (5,723,977)	\$ 598,451

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town has obtained a variety of commercial liability insurance policies which passes the risk of loss listed above to independent third parties.

Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Contingent Liabilities

Litigation

Litigation is subject to many uncertainties, and the outcome of individual matters is not always predictable. Although the amount of the liability, if any, at June 30, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2020.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although, based on prior experience, Town management believes such disallowances, if any, will not be material.

C. COVID-19

The Covid-19 outbreak in the United States and across the globe has resulted in economic uncertainties. The disruption is expected to be temporary, but there is considerable uncertainty around the duration and scope. The extent of the impact of Covid-19 on our operational and financial performance will depend on certain developments, including the duration and spread of outbreak, impact on our customers, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which Covid-19 may impact our financial condition or results of operations is uncertain.

D. Subsequent Events

In November 2020, the Town received \$5,004,985 in two note proceeds with interest rates of 0.59% and 0.55% to finance various equipment purchases, the street light conversion, road improvements, and sewer construction projects. The principal and interest payments will be due November 2021.

E. Pension Plan

Plan Description

The Town is a member of the Worcester Regional Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by the Worcester Regional Retirement Board (the Board). Massachusetts General Laws (MGL), Chapter 32, assigns authority to establish the System and amend benefit provisions of the plan; which is regulated by the Public Employees Retirement Administration Commission (PERAC). The System is a defined benefit pension plan that covers substantially all employees of its member employers except for current and retired teachers. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System at 23 Midstate Drive, Suite 106, Auburn, Massachusetts 01501.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan, to which the Town does not contribute. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for the contributions and future benefit requirements of the MTRS.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is responsible by statute to make all actuarially determined contributions and future benefit requirements on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in the MTRS. Since the Town does not contribute directly to MTRS, there is no pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based upon each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2019. The Town's portion of the collective pension expense contributed by the Commonwealth of \$7,476,795 on-behalf payments for the fiscal year ending June 30, 2020 is reported as intergovernmental revenues and insurance and employee benefits expenditures in the General Fund as of the measurement date.

Benefits Provided

Both the System and MTRS provide retirement, disability, and death benefits to plan members and beneficiaries. Members become vested after 10 years of creditable service and are eligible for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Retirement benefits are determined as a percentage of the member's final three-year (five-year for members hired on or after April 2, 2012) final average compensation times the member's years of creditable service prior to retirement. The percentage is based on the age of the member at retirement and his or her Group classification. The authority for amending these provisions rests with the Massachusetts Legislature.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost of living adjustments granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth's State law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Contributions

MGL Chapter 32 governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date of gross regular compensation with an additional 2% contribution after exceeding \$30,000 in annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The Town's proportionate share of the required contribution to the System for the year ended December 31, 2019 was \$3,232,114, representing 20.92% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Pension Liability

As of June 30, 2020, the Town reported a liability of \$47,250,738 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2019, the Town's proportional percentage was 5.3083%, which was a slight increase from the last measurement.

Pension Expense

For the year ended June 30, 2020, the Town recognized a pension expense of \$6,345,521 and reported deferred outflows of resources related to pensions of \$4,929,797 from the difference between expected and actual experience, changes in assumptions and changes in proportion and differences between employer contributions and proportionate share of contributions; and deferred inflows of resources related to pensions of \$1,763,379 from the difference between expected and actual experience, the net difference between projected and actual investment earnings and changes in proportion and differences between employer contributions and proportionate share of contributions.

The Town's net deferred outflows/(inflows) of resources related to pensions will be recognized in the pension expense as follows:

For years ended June 30,	
2021	\$ 2,330,374
2022	1,176,933
2023	646,792
2024	(1,347,190)
Thereafter:	<u>359,509</u>
	<u><u>\$ 3,166,418</u></u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2019:

Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Payment increases 4.0% per year.
Asset valuation method	Market value of assets
Inflation	2.4% per year
Salary increases	Group 1: 4.25% -- 6.00%, based on service Group 4: 4.75% -- 7.00%, based on service
Investment rate of return	7.65%, net of pension plan investment expense, including inflation

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.65%. As well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

	1% Decrease	Current	1% Increase
	6.65%	Discount Rate	8.65%
	6.65%	7.65%	8.65%
Net pension liability	\$ 57,658,204	\$ 47,250,738	\$ 38,461,929

F. Other Post Employment Benefits Payable

GASB Statement No. 74 and GASB Statement No. 75

The cost of post employment benefits generally should be associated with the periods in which costs occur rather than in the future year when it will be paid. The Town recognizes the cost of post employment benefits in the year when the employee services are received, reports the accumulated liability from prior years and provides information useful in assessing potential demands on the Town's future cash flows.

Plan Description

In addition to providing pension benefits as described on the following footnote, the Town provided post-employment health care and life insurance benefits for retired employees, their dependents and beneficiaries. The benefits, benefit levels, employee and employer contributions are governed by Massachusetts General Law chapter 32. As of the actuarial valuation date there are approximately 937 active and retired employees that meet the eligibility requirements. The plan does not issue a separate financial report.

Investments

The Town's policy in regard to the allocation of invested assets is established and may be amended by the Board of Selectmen by majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town's investment policy. As of June 30, 2020, investments, concentration and rate of return information consisted of pooled funds in the Town's Bartholomew Commonwealth Financial investments described earlier under Deposits and Investments (refer to note 3A).

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town policy and member contracts. The required contribution is based on the projected pay-as-you-go financing requirements. For the period ending on the June 30, 2020 Measurement Date, total Town premiums plus implicit costs for the retiree medical program were \$2,410,096. The Town also made contributions to an OPEB Trust of \$600,000 for a total contribution of \$3,010,096. Furthermore, the Town implemented a member contribution, where an employee can contribute up to two percent of their salary for the first ten years of employment with the Town. The Town did establish a trust fund in order to contribute funds to reduce the future OPEB liability. The trust balance is \$5,497,786 as of June 30, 2020.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Measurement Date

GASB Statement No. 74 and GASB Statement No. 75 require the net OPEB liability to be measured as of the OPEB Plan's most recent fiscal year-end. Accordingly, the net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019.

Plan Membership:

Current active members	528
Current retirees, beneficiaries and dependents	409
Total	937

Net OPEB Liability

The components of the net OPEB liability are as follows:

	6/30/2020
Total OPEB liability	\$ 49,697,373
Less: Plan fiduciary net position	(5,497,786)
Town's Net OPEB liability	\$ 44,199,587
Plan fiduciary net position as a percentage of the total OPEB liability	11.1%

Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement for the reporting date of June 30, 2020:

Valuation date	July 1, 2019
Actuarial cost method	Individual Entry Age Normal
Investment rate of return	6.47% annually, net of OPEB plan investment expense, including inflation.
Single Equivalent Discount rate	6.50% annually, net of OPEB plan investment expense, including inflation.
Inflation	2.50% as of June 30, 2020 and for future periods
Salary increases	3.00% annually as of June 30, 2020 and for future periods
Healthcare cost trend rates	4.50% annually in 2020
Mortality rates	
Pre-retirement mortality (General)	RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward one year for females.
Post-retirement mortality (General)	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward one year for females.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Disabled retirees (General)	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward one year.
Pre-retirement mortality (Teachers)	RP-2014 Mortality Table for White Collar Employees projected generational with Scale MP-2016 for males and females.
Post-retirement mortality (Teachers)	RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.
Disabled retirees (Teachers)	RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.

The actuarial assumptions used the July 1, 2019 actuarial valuation and market value of assets as of the measurement date of June 30, 2020 were reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Index as of June 30, 2020 is 2.66%.

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the target asset allocation as of June 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity - Large Capital	21.00%	4.80%
Domestic Equity - Small/Mid Capital	14.00%	5.29%
International Equity - Developed Market	16.00%	5.45%
International Equity - Emerging Market	7.00%	6.42%
Domestic Fixed Income	34.00%	2.05%
International Fixed Income	0.00%	3.00%
Alternatives	7.00%	6.50%
Real Estate	0.00%	6.25%
Cash and Cash Equivalents	1.00%	0.00%
Total	100.00%	
I. Real Rate of Return		4.22%
II. Add: Inflation Assumption		2.50%
III. Total Nominal Return (I. + II.)		6.72%
IV. Less: Investment Expense		0.25%
V. Net investment Return (III.-IV.)		6.47%

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 3.77%.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2019	\$ 31,667,851	\$ 4,711,476	\$ 26,956,375
Prior period adjustments	7,970,797	-	7,970,797
Adjusted Balance at June 30, 2019	<u>39,638,648</u>	<u>4,711,476</u>	<u>34,927,172</u>
Service cost	1,108,843	-	1,108,843
Interest on Total OPEB Liability	2,967,317	-	2,967,317
Changes in benefit terms *	-	-	-
Changes in assumptions *	5,595,634	-	5,595,634
Difference between actual and expected experience **	2,797,027	-	2,797,027
Net investment income	-	155,241	(155,241)
Member contributions to Trust	-	31,069	(31,069)
Employer contributions to Trust	-	3,010,096	(3,010,096)
Total benefit payments including implicit cost	<u>(2,410,096)</u>	<u>(2,410,096)</u>	<u>-</u>
Net change in total OPEB liability	<u>10,058,725</u>	<u>786,310</u>	<u>9,272,415</u>
Balances at June 30, 2020	<u>\$ 49,697,373</u>	<u>\$ 5,497,786</u>	<u>\$ 44,199,587</u>

* = Recognized immediately

** = Amortized over 6.75 years

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that member employer contributions will be made in accordance Massachusetts General Law Chapter 32. Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Town's net OPEB liability	\$ 50,416,863	\$ 44,199,587	\$ 38,603,953

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current healthcare cost trend rates:

	1% Decrease (3.50%)	Healthcare Cost Trend Rates (4.50%)	1% Increase (5.50%)
Town's net OPEB liability	\$ 38,417,421	\$ 44,199,587	\$ 51,272,143

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to or deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year, which are reported at cost.

Expense, Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense of \$1,105,292 and reported deferred outflows of resources related to OPEB of \$7,625,638 from the difference between actual and expected experience, changes in assumptions and the net difference between projected and actual investment earnings on OPEB plan investments; and deferred inflows of resources related to OPEB of \$3,712,885 from the difference between actual and expected experience and the net difference between projected and actual investment earnings on OPEB plan investments.

The Town's net deferred outflows/(inflows) of resources related to OPEB will be recognized in the OPEB expense as follows:

For years ended June 30,	
2021	\$ 363,166
2022	364,401
2023	348,416
2024	660,889
2025	1,243,356
Thereafter:	932,525
	\$ 3,912,753

G. Implementation of New GASB Pronouncements

The GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This pronouncement postponed the effective dates of certain provisions in GASB statements and Implementation Guides that first became effective or are scheduled to be effective for periods beginning after June 15, 2018 or later.

TOWN OF AUBURN, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

H. Future GASB Pronouncements

Management is currently assessing the impact the implementation of the following pronouncements will have on the basic financial statements.

The GASB issued Statement No. 84, *Fiduciary Activities*, for implementation in fiscal year 2021.

The GASB issued Statement No. 87, *Leases*, for implementation in fiscal year 2022.

The GASB issued Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, for implementation in fiscal year 2021.

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2023.

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, for implementation in fiscal 2022.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, for implementation in fiscal year 2021 and 2022.

5. RESTATEMENT

The net position as of June 30, 2019 has been restated. The beginning net position decreased \$7,679,209 in governmental activities and increased \$108,412 in the business-type activities (\$87,905 in the sewer fund and \$20,507 in the pakachoag golf course fund) to reflect the changes in the other post employment (OPEB) liability. Accordingly, the previously reported net position of \$49,776,077 has been revised to \$42,205,280 (\$35,502,155 for governmental activities and \$6,703,125 for business-type activities).

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF AUBURN, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Worcester Regional Contributory Retirement System
For the Year Ended June 30, 2020**

The Schedule of Proportionate Share of the Net Pension Liability represents multiyear trend information relating to the Town's proportion of the net pension liability and related ratios.

Schedule of the Town's Proportionate Share of the Net pension Liability:

Date	Town's proportion of the net pension liability (asset)	Town's proportionate share of the net pension liability (asset)	Town's covered employee payroll	Net pension liability percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2019	5.3083%	\$ 47,250,738	\$ 15,448,580	305.86%	47.36%
12/31/2018	5.1808%	\$ 46,977,102	\$ 14,866,580	315.99%	43.05%
12/31/2017	5.2048%	\$ 42,441,700	\$ 14,036,616	302.36%	46.40%
12/31/2016	4.8303%	\$ 40,458,273	\$ 13,843,377	292.26%	42.00%
12/31/2015	4.8353%	\$ 34,320,981	\$ 13,295,230	258.15%	44.52%
12/31/2014	4.8898%	\$ 29,097,673	\$ 12,880,029	225.91%	47.94%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF AUBURN, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Worcester Regional Contributory Retirement System
For the Year Ended June 30, 2020

The Schedule of the Employer Contributions presents multiyear trend information on the Town's required and actual payments to the pension plan and related ratios.

Schedule of the Town's Contributions:

Date	Actuarially determined contribution	Less: Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Town's covered employee payroll	Contributions percentage of covered employee payroll
12/31/2019	\$ 3,232,114	\$ (3,232,114)	\$ -	\$ 15,448,580	20.92%
12/31/2018	\$ 2,884,358	\$ (2,884,358)	\$ -	\$ 14,866,580	19.40%
12/31/2017	\$ 2,633,613	\$ (2,633,613)	\$ -	\$ 14,036,616	18.76%
12/31/2016	\$ 2,346,309	\$ (2,346,309)	\$ -	\$ 13,843,377	16.95%
12/31/2015	\$ 2,175,190	\$ (2,175,190)	\$ -	\$ 13,295,230	16.36%
12/31/2014	\$ 1,932,405	\$ (1,932,405)	\$ -	\$ 12,880,029	15.00%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF AUBURN, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2020

Schedule of Changes in the Net OPEB Liability:

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability				
Service cost	\$ 1,108,843	\$ 935,051	\$ 894,786	\$ 960,005
Interest on net OPEB liability	2,967,317	2,262,814	2,617,714	2,474,327
Changes in Benefit terms	-	-	-	-
Changes in Assumptions	5,595,634	-	-	-
Difference between actual and expected experience	2,797,027	-	(6,813,307)	-
Benefit payments, including refunds of member contributions	(2,410,096)	(1,504,439)	(1,439,655)	(1,474,276)
Net change in total OPEB liability	10,058,725	1,693,426	(4,740,462)	1,960,056
Prior period adjustments	7,970,797	-	-	-
Total OPEB liability-beginning	31,667,851	29,974,425	34,714,887	32,754,831
Total OPEB liability-ending (a)	<u>\$ 49,697,373</u>	<u>\$ 31,667,851</u>	<u>\$ 29,974,425</u>	<u>\$ 34,714,887</u>
Plan fiduciary net position				
Net investment income	155,241	254,275	170,792	\$ 199,714
Member contributions to Trust	31,069	-	-	-
Employer contributions to Trust	3,010,096	2,067,361	2,079,173	1,985,339
Benefit payments, including refunds of member contributions	(2,410,096)	(1,467,361)	(1,404,173)	(1,385,339)
Net change in plan fiduciary net position	786,310	854,275	845,792	799,714
Total fiduciary net position-beginning	4,711,476	3,857,201	3,011,409	2,211,695
Total fiduciary net position-ending (b)	<u>\$ 5,497,786</u>	<u>\$ 4,711,476</u>	<u>\$ 3,857,201</u>	<u>\$ 3,011,409</u>
Town's net OPEB liability (a-b)	<u>\$ 44,199,587</u>	<u>\$ 26,956,375</u>	<u>\$ 26,117,224</u>	<u>\$ 31,703,478</u>

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF AUBURN, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2020

Schedule of Net OPEB Liability:

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability	\$ 49,697,373	\$ 31,667,851	\$ 29,974,425	\$ 34,714,887
Less: Plan fiduciary net position	<u>(5,497,786)</u>	<u>(4,711,476)</u>	<u>(3,857,201)</u>	<u>(3,011,409)</u>
Town's Net OPEB liability	<u>\$ 44,199,587</u>	<u>\$ 26,956,375</u>	<u>\$ 26,117,224</u>	<u>\$ 31,703,478</u>
Plan fiduciary net position as a percentage of the total OPEB liability	11.1%	14.9%	12.9%	8.7%
Town's share of covered employee payroll	\$ 34,443,942	\$ 29,917,183	\$ 28,905,491	\$ 33,648,784
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	128.3%	90.1%	90.4%	94.2%

Schedule of Contributions:

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarially determined contribution	\$ 4,286,957	\$ 2,067,361	\$ 2,079,173	\$ 1,985,339
Less: Contributions in relation to the actuarially determined contribution	<u>(3,010,096)</u>	<u>(1,467,361)</u>	<u>(1,404,173)</u>	<u>(1,385,339)</u>
Contribution deficiency (excess)	<u>\$ 1,276,861</u>	<u>\$ 600,000</u>	<u>\$ 675,000</u>	<u>\$ 600,000</u>
Town's share of covered employee payroll	\$ 34,443,942	\$ 29,917,183	\$ 28,905,491	\$ 33,648,784
Contributions percentage of covered-employee payroll	12.4%	6.9%	7.2%	5.9%
Annual money-weighted rate of return net of investment expense	3.77%	N/A	N/A	N/A

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF AUBURN, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2020

Schedule of Funding Progress:

Other Post Employment Benefits						
Measurement Date	Actuarial Fiduciary Net Position (A)	Actuarial Total OPEB Liability (B)	Actuarial Net OPEB Liability (B-A)	Actuarial Funded Ratio (A/B)	Actuarial Covered Payroll (C)	Actuarial Percentage of Covered Payroll ((B-A)/C)
6/30/2020	\$ 5,497,786	\$ 49,697,373	\$ 44,199,587	11.1%	\$ 34,443,942	128.3%
6/30/2019	\$ 4,711,476	\$ 31,667,851	\$ 26,956,375	14.9%	\$ 29,917,183	90.1%
6/30/2018	\$ 3,857,201	\$ 29,974,425	\$ 26,117,224	12.9%	\$ 28,905,491	90.4%
6/30/2017	\$ 3,011,409	\$ 34,714,887	\$ 31,703,478	8.7%	\$ 33,648,784	94.2%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

SUPPLEMENTARY SCHEDULES

**TOWN OF AUBURN, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Fund Balances July 1, 2019	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2020
Special Revenue:					
Federal and State Grants:					
School Grants	\$ 16,402	\$ 910,081	\$ 916,749	\$ -	\$ 9,734
Arts Lottery Council Grant	9,202	8,014	10,510	-	6,706
Council on Aging Grants	-	47,844	47,649	-	195
Federal Emergency Management Grants	-	163,095	222,951	-	(59,856)
Library Grants	41,115	33,056	27,060	-	47,111
Highway Grants	-	1,017,699	1,021,678	-	(3,979)
Other Grants and Programs	76,819	316,344	251,399	-	141,764
Public Safety Grants	18,094	121,657	144,695	-	(4,944)
Schools:					
School Lunch Program	647,383	741,795	712,687	-	676,491
School Lunch Commodities	-	70,955	70,955	-	-
Ace Solar School Agreement	-	10,000	-	-	10,000
School Choice	707,610	432,455	493,660	-	646,405
School Revolving Accounts	943,907	879,607	932,552	-	890,962
School Rentals	61,506	33,758	42,341	-	52,923
Special Education Reserve Fund	363,675	11,164	-	125,000	499,839
State Special Education Reimbursement Fund	298,554	285,854	303,235	-	281,173
Other:					
Ambulance Programs	3,313,883	1,593,689	50,717	(898,000)	3,958,855
Bid Deposits/Escrow	13,087	-	-	-	13,087
Board of Health Revolving Account	57,634	34,700	7,054	(12,000)	73,280
Casella Waste	50,000	50,000	-	(50,000)	50,000
Charter Communications Grants	558,733	274,155	127,877	(46,635)	658,376
Council on Aging Building Rental	11,537	1,675	1,247	-	11,965
Council on Aging Private Grants	2,531	-	-	-	2,531
Dog Fines	2,159	-	-	(2,159)	-
Dog License Fees	86,706	31,540	-	(56,000)	62,246
Gifts and Donations	187,603	87,027	86,269	-	188,361
Insurance Reimbursements	142,535	54,631	117,727	-	79,439
Library Lost/Damaged Items	12,027	639	-	-	12,666
Total Special Revenue Page 73	\$ 7,622,702	\$ 7,211,434	\$ 5,589,012	\$ (939,794)	\$ 8,305,330

**TOWN OF AUBURN, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Fund Balances July 1, 2019	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2020
Continued from Page 73	\$ 7,622,702	\$ 7,211,434	\$ 5,589,012	\$ (939,794)	\$ 8,305,330
Special Revenue (continued):					
Other (continued):					
Municipal Aggregation	159,588	47,099	37,571	-	169,116
Other Programs and Funds	4,779	575	-	-	5,354
Outside Work Revolving	-	475,466	475,466	-	-
Revolving Accounts	358,519	306,335	385,173	-	279,681
Road Improvements	46,314	-	-	-	46,314
Sale of Cemetery Lots	46,877	23,720	660	(15,000)	54,937
Sale of Real Estate	87,136	-	5,550	-	81,586
Seniors Disabled Revolving	1,557	145	-	-	1,702
Transportation Network Company	6,393	5,259	-	-	11,652
Wetlands Protection Fees	77,130	7,020	196	(3,000)	80,954
Auburn High School Gymnasium Fund	526,736	11,467	-	(7,864)	530,339
Capital Improvement Trust	1,574,966	34,226	-	(25,000)	1,584,192
Conservation Fund	7,553	140	-	-	7,693
Federal Law Enforcement Fund	35,424	29,642	1,858	-	63,208
Law Enforcement Fund	59,773	(543)	-	-	59,230
Pension Reserve Fund	1,481,596	32,137	-	(25,000)	1,488,733
Total Special Revenue Funds	12,097,043	8,184,122	6,495,486	(1,015,658)	12,770,021
Capital Projects:					
Auburn Middle School Feasibility Study	17,171	-	-	-	17,171
Auburn Middle School Construction	265,554	-	-	-	265,554
High School Construction	20,646	-	-	-	20,646
High School Land Acquisition	33,356	-	-	-	33,356
LED Streetlights	4,142	68,996	161,390	-	(88,252)
Other Projects and Programs	3,806	-	445,696	445,696	3,806
Pondville Dam Repair	5,582	-	-	-	5,582
Total Capital Projects Page 74	\$ 350,257	\$ 68,996	\$ 607,086	\$ 445,696	\$ 257,863

**TOWN OF AUBURN, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Fund Balances July 1, 2019	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2020
Continued from Page 74	\$ 350,257	\$ 68,996	\$ 607,086	\$ 445,696	\$ 257,863
Capital Projects (continued):					
Road Construction	-	-	306,745	-	(306,745)
Town Hall air conditioning	2,420	-	-	-	2,420
Fiscal Year 2007 General Obligation Bond Projects	(192)	-	-	-	(192)
Fiscal Year 2009 General Obligation Bond Projects	76,449	-	71,508	-	4,941
Fiscal Year 2010 General Obligation Bond Projects	(350)	-	-	-	(350)
Fiscal Year 2011 General Obligation Bond Projects	11	-	-	-	11
Fiscal Year 2012 General Obligation Bond Projects	2,437	-	1,389	-	1,048
Fiscal Year 2013 General Obligation Bond Projects	62,516	-	-	-	62,516
Fiscal Year 2014 General Obligation Bond Projects	29,366	-	25,271	-	4,095
Fiscal Year 2015 General Obligation Bond Projects	29,668	-	29,668	-	-
Fiscal Year 2016 General Obligation Bond Projects	205,218	-	119,404	-	85,814
Fiscal Year 2017 General Obligation Bond Projects	176,098	-	9,456	-	166,642
Fiscal Year 2018 General Obligation Bond Projects	489,361	-	184,154	-	305,207
Fiscal Year 2019 General Obligation Bond Projects	461,606	-	129,320	-	332,286
Fiscal Year 2020 General Obligation Bond Projects	-	-	229,844	-	(229,844)
Total Capital Project Funds	1,884,865	68,996	1,713,845	445,696	685,712
Perpetual Permanent Funds:					
Cemetery Perpetual Care Fund	1,017,017	36,630	-	-	1,053,647
Library Fund	9,987	-	-	-	9,987
Total Perpetual Permanent Funds	1,027,004	36,630	-	-	1,063,634
Permanent Funds:					
Cemetery Perpetual Care Fund	416,938	32,686	840	(5,000)	443,784
Library Fund	152,915	3,360	6,256	-	150,019
Norma Card Fire Memorial Fund	135,008	2,716	7,500	-	130,224
Total Permanent Funds	704,861	38,762	14,596	(5,000)	724,027
Total - Non-Major Governmental Funds	\$ 15,713,773	\$ 8,328,510	\$ 8,223,927	\$ (574,962)	\$ 15,243,394

**TOWN OF AUBURN, MASSACHUSETTS
SCHEDULE OF REAL ESTATE, PERSONAL PROPERTY AND SUPPLEMENTAL TAXES
AND DEFERRED PROPERTY TAXES
JULY 1, 2019 TO JUNE 30, 2020**

	Uncollected Taxes July 1, 2019	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2020	Uncollected Taxes Per Detail June 30, 2020
Real Estate Taxes:						
Levy of 2020	\$ -	\$ 42,039,392	\$ 296,004	\$ 40,967,748	\$ 775,640	\$ 775,640
Levy of 2019	602,312	-	169,868	312,990	119,454	122,430
Levy of 2018	3,791	-	-	3,093	698	698
Levy of 2017	899	-	-	655	244	244
Levy of 2016	-	-	-	-	-	-
Prior Years	5,849	-	-	1,815	4,034	4,150
	<u>612,851</u>	<u>42,039,392</u>	<u>465,872</u>	<u>41,286,301</u>	<u>900,070</u>	<u>903,162</u>
Personal Property Taxes:						
Levy of 2020	-	1,823,893	13,771	1,755,611	54,511	54,511
Levy of 2019	39,613	-	-	9,517	30,096	30,096
Levy of 2018	23,607	-	-	16	23,591	23,591
Levy of 2017	19,405	-	-	77	19,328	19,328
Levy of 2016	6,261	-	860	(860)	6,261	6,261
Prior Years	137,828	-	-	-	137,828	137,828
	<u>226,714</u>	<u>1,823,893</u>	<u>14,631</u>	<u>1,764,361</u>	<u>271,615</u>	<u>271,615</u>
Supplemental Taxes	<u>4,525</u>	<u>46,898</u>	<u>-</u>	<u>32,890</u>	<u>18,533</u>	<u>18,533</u>
Total Real Estate, Personal Property and Supplemental Taxes	<u>\$ 844,090</u>	<u>\$ 43,910,183</u>	<u>\$ 480,503</u>	<u>\$ 43,083,552</u>	<u>\$ 1,190,218</u>	<u>\$ 1,193,310</u>
Deferred Property Taxes	<u>\$ 40,245</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 22,586</u>	<u>\$ 17,584</u>	<u>\$ 17,584</u>

**TOWN OF AUBURN, MASSACHUSETTS
SCHEDULE OF MOTOR VEHICLE EXCISE TAXES
JULY 1, 2019 TO JUNE 30, 2020**

	Uncollected Taxes July 1, 2019	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2020	Uncollected Taxes Per Detail June 30, 2020
Motor Vehicle Excise Taxes:						
Levy of 2020	\$ -	\$ 2,938,581	\$ 30,207	\$ 2,662,002	\$ 246,372	\$ 246,372
Levy of 2019	204,325	357,233	36,122	465,222	60,214	60,239
Levy of 2018	57,939	-	4,377	31,152	22,410	22,410
Levy of 2017	20,155	-	6,724	(1,588)	15,019	15,019
Levy of 2016	11,479	-	-	1,231	10,248	10,248
Prior Years	77,538	379	5,798	1,810	70,309	24,370
Total Motor Vehicle Excise Taxes	\$ 371,436	\$ 3,296,193	\$ 83,228	\$ 3,159,829	\$ 424,572	\$ 378,658

**TOWN OF AUBURN, MASSACHUSETTS
SCHEDULE OF TAX LIENS
JULY 1, 2019 TO JUNE 30, 2020**

	Uncollected Accounts July 1, 2019	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2020	Uncollected Accounts Per Detail June 30, 2020
Tax Liens	\$ 958,817	\$ 188,962	\$ -	\$ 143,333	\$ 1,004,446	\$ 1,006,641
Tax Liens-Trash	28,521	6,057	-	7,259	27,319	27,319
Total Tax Liens	<u>\$ 987,338</u>	<u>\$ 195,019</u>	<u>\$ -</u>	<u>\$ 150,592</u>	<u>\$ 1,031,765</u>	<u>\$ 1,033,960</u>