

Comprehensive Annual Financial Report



For the Fiscal Year Ended August 31, 2012

Comprehensive Annual Financial Report

**For the Fiscal Year
Ended August 31, 2012**

**Prepared by Business Services
Toni Lally, CPA, Executive Director of Business**



**Auburn School District No. 408
915 4th Street NE, Auburn WA 98002**

Legal Notice: The Auburn School District complies with all federal rules and regulations and does not illegally discriminate on the basis of race, color, national origin, sex, age, or disability, and does not tolerate sexual harassment. This holds true for all students who are interested in participating in educational programs and/or extracurricular school activities. Any reports of alleged sexual harassment or concerns about compliance and/or grievance procedures should be directed to the school district's Title IX RCW 28A.640 officer and Section 504 and ADA coordinator, Tim Cummings, 915 4th Street NE, Auburn, Washington 98002, (253) 931-4932.



**Auburn School District No. 408
915 4th Street NE, Auburn WA 98002**

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Auburn School District No. 408
915 4th Street NE, Auburn WA 98002

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Auburn School District No. 408

Directory of Officials ~ August 31, 2012

School Board:

Lisa Connors, President
 Anne Baunach
 Janice Nelson
 Ray Vefik
 Carol Seng

Term and First Elected:

4-Year Term, First Elected - 2007
 4-Year Term, First Elected - 2011
 4-Year Term, First Elected - 1997
 4-Year Term, First Elected - 1998
 4-Year Term, First Elected - 2002

Term Expires:

November 2013
 November 2015
 November 2013
 November 2015
 November 2015

Administrative Staff:

Dr. Kip Herren.....Superintendent
 Mike Newman.....Deputy Superintendent, Business and Operations
 Tim Cummings.....Associate Superintendent, Human Resources
 Rod Luke.....Associate Superintendent, Student Learning and Technology
 Louanne Decker.....Associate Superintendent, PK-12 School Programs
 Gordon O’Dell..... Executive Director, Student Services
 Rhonda Larson.....Executive Director, Student Special Services

Principals:

Elementary Schools:

Diane Collier.....Alpac	Colleen Barlow.....Gildo Rey	Ed Herda.....Lea Hill
Eric Daniel.....Arthur Jacobsen	Sally Colburn.....Hazelwood	Debra Gary.....Pioneer
Jennifer Davidson.....Chinook	Tim Carstens.....Ilalko	Tom Dudley.....Terminal Park
Adam Couch.....Dick Scobee	Mike Weibel.....Lake View	Pauline Thomas.....Washington
Anne Gayman..Evergreen Heights	Ryan Foster.....Lakeland Hills	

Middle Schools:

Isaiah Johnson.....Cascade
 Greg Brown.....Mt. Baker
 Jason Hill.....Olympic
 Ben Talbert.....Rainier

High Schools:

Richard Zimmerman.....Auburn
 Terri Herren.....Auburn Mountainview
 Dave Halford.....Auburn Riverside
 Lenny Holloman.....West Auburn

Comprehensive Annual Financial Report Contributing Staff:

Toni Lally, CPA, Executive Director of Business
 Debra Bodkins, Senior Accountant
 Debra Podesta, Accounting Systems Analyst
 Andrea Hollister, District Publications Tech



Auburn School District No. 408~Board of Directors and Superintendent



Lisa Connors, First Elected or Appointed: December 2007 ~ District 5

Lisa Connors holds a Bachelor's Degree in Interdisciplinary Arts & Science, Political Views. Her administrative and business background includes banking, human resources, construction, project management, sales and politics. This wide range of experience provides a natural passion for her school board work in the areas of student achievement, capital projects, board policy, and the Auburn Public Schools Foundation. Lisa is an active member of the community and believes collaboration and communication are essential to increasing student achievement. In addition to the School Board, she serves on the Board of Directors for Auburn Youth Resources, the Auburn Area Chamber of Commerce Economic & Governmental Affairs Committee and the Auburn Noon Lions Club. She is a Founding Trustee for the Auburn Public Schools Foundation and served on its design team for 2 years. Lisa encourages all parents and community members to volunteer for their community, schools, and local PTA. Mrs. Connors was instrumental in creating the new Auburn High School PTSA and served as its founding president for 2 years. She has also served extensively in her elementary PTA. She was the chairperson for the Reading Program, promoting literacy and providing free books to students. She created an after-school program serving 100-300 students annually that offered a variety of classes in art, science and writing. Lisa has lived in Auburn since 1997 and has three sons in the Auburn School District.



Anne Baunach, First Elected or Appointed: December 2011 ~ District 4

Anne Baunach has been actively engaged in the Auburn community for the last twelve years with a focus on education. She has been active in several district committees focused on strategic planning, setting attendance area boundaries, and community use of district facilities. She has also been active with Auburn Citizens for Schools and several PTA groups over the years at her children's schools. Anne and her family have lived in Auburn since 1996 and have one child currently attending Auburn Riverside High School and one at Whitworth University. Anne is the Director of Resource Development at Argos International.



Janice Nelson, First Elected or Appointed: May 1997 ~ District 3

Janice Nelson has a focus of finding opportunities to include all people. She spends many hours building relationships with community organizations and events such as the Soroptomists, Auburn Chamber of Commerce, Uniquely Auburn committee (of which she is co-chair), and Reaching Out Fair. "Partnerships and collaborative efforts are such an important part of this community," says Ms. Nelson. Ms. Nelson has lived in Auburn since 1992 and her daughter graduated from Auburn High School. She is a Program Manager at Trillium, an employment service for people with developmental disabilities.



Ray Vefik, First Elected or Appointed: June 1998 ~ District 1

Ray Vefik has extensive years of experience as a volunteer and supporter of Auburn schools. He served as PTA president of Dick Scobee Elementary in 1986-87 and as president of the Auburn Council of PTAs, 1990-92. He was an integral part of the district's attendance area committee which was formed in 1990 and proceeded to serve on several more attendance area committees until 1998. Mr. Vefik also served on the Auburn School District's Ad Hoc Committee in 1994 and chaired the renovations sub-committee. Mr. Vefik and his family have lived in Auburn since 1985. His son is a graduate from Auburn schools and Mr. Vefik has two grandchildren attending Auburn schools. Mr. Vefik is a project manager/architect.



Carol Seng, First Elected or Appointed: June 2002 ~ District 2

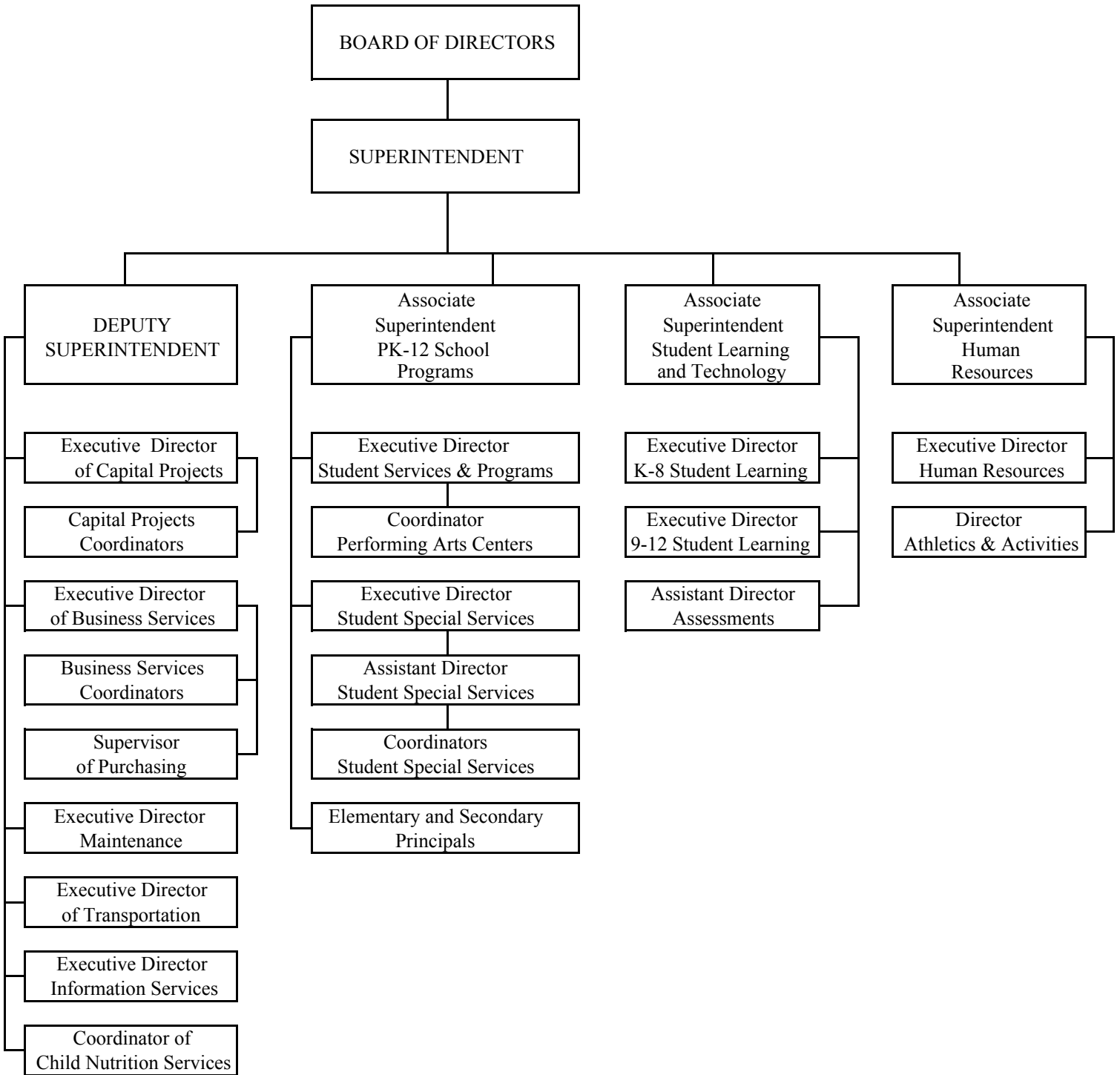
Carol Seng is focused on ensuring all children in Auburn achieve at the high levels. Ms. Seng brings a background in leadership and policy development to the Board. She is a strong believer that the School Board must be visible and strong advocates to ensure that all children are provided the resources needed to succeed in a safe environment. Carol comes from a family of educators and recognizes the importance of building strong parent and community relationships. Her two children are both graduates of Auburn Schools.



Dr. Kip Herren, Superintendent of Auburn Schools

Dr. Kip Herren has enjoyed working in the field of education for 37 years, 33 of those years dedicated to the Auburn School District. He has been a teacher, a principal, central office administrator, and, currently, is superintendent of Auburn schools. Kip is active in a variety of civic organizations including, president of the YMCA, president of Rotary, and president of the Chamber of Commerce. He is in the Washington State Wrestling Coaches Hall of fame and has been honored as a Forensic Administrator of the Year. He was adjunct professor of educational policy and finance for the University of Washington at Tacoma where he currently serves on the school's Professional Education Advisory Board. His passion and advocacy for student learning is well known in the community.

AUBURN SCHOOL DISTRICT NO. 408
ORGANIZATIONAL CHART
 August 31, 2012





March 25, 2013

Members of the Board of Directors, and the
Citizens of the Auburn School District

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) for Auburn School District No. 408 for the fiscal year ended August 31, 2012. This report presents complete information about the district's financial position at year-end and financial activities during the fiscal year. We feel that the report illustrates the efforts of the administration to attain the financial goals established by the Board.

The accuracy of the data presented, including all disclosures and the completeness and fairness of the presentation, is the responsibility of the management of the District. The District's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. In addition to ensuring that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP), the District's internal control structure also provides reasonable assurance that the assets of the District are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that the cost of controls should not outweigh their benefits. Consequently, as management, we are able to assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Washington State statutes require that state school districts be audited by the Office of the State Auditor. That independent auditor's unqualified "clean" opinion on the District's financial statements for the year ended August 31, 2012 is located at the front of the financial section of this report. The independent audit of the District's financial statements was part of a federally mandated "Single Audit" required by federal agencies that have provided grants to the District. Single Audits require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separate issued Single Audit Report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

District profile

Auburn School District provides public education to preschool through twelfth grade students. The public education provided includes a strong academic program of basic education, a comprehensive education for special education students, including preschool, a career and technical education program at the secondary level, a special program for academically gifted students, and alternative programs for those students requiring individualized learning opportunities.

The District is located in western Washington, in southern King and northern Pierce Counties. It includes the cities of Auburn, Algona and Pacific and small portions of the cities of Black Diamond and Kent. Auburn is approximately 28 miles southeast of the City of Seattle and 15 miles northeast of the City of Tacoma. The District covers an area of over 62 square miles with an estimated population of 84,947 residents. Auburn School District operates fourteen elementary schools, four middle schools and four high schools. Please see the Statistical Section, Schedule 22 for details of each building's size, age and enrollment.

Student enrollment figures presented below are for historical and projected October 1 full-time equivalent students.

	Historical		Projected
October	Enrollment	October	Enrollment
2012	14,596	2013	14,661
2011	14,363	2014	14,920
2010	14,482	2015	15,147
2009	14,589	2016	15,554
2008	14,703	2017	15,871

Auburn School District is a legally separate entity enjoying all rights and privileges accorded political subdivisions in the State of Washington. The District is fiscally independent. Policymaking and legislative authority are vested in the Board of Directors consisting of five members elected by the voters of the District for staggered four-year terms. The Board is responsible for, among other things; developing policy, adopting the budget, levying taxes, incurring bonded debt, supervising committees, and hiring the Superintendent.

Budgetary control is maintained at the fund level that is the legal level of budgetary control. The district records encumbrances when a commitment is made for the acquisition of goods or services in order to facilitate effective budgetary control. Encumbered amounts lapse at the end of the fiscal year. However, they are generally reappropriated as a part of the following annual budget.

Local economy

Auburn is enjoying an increasingly diversified economy made possible by its location, its greatest economic asset. Near two major ports, two excellent rail hubs and the intersection of two major state highways, Auburn has attracted successful regional warehouse and distribution facilities, a regional medical center, entertainment facilities such as casinos and an amphitheater, a regional shopping mall and federal agencies such as the Federal Aviation Administration (FAA), the Social Security Administration and Region 10 of the U.S. General Services Administration (GSA).

As the district's largest employer and taxpayer, the Boeing Fabrication Division continues with a steady 6% of assessed valuation for property tax purposes. The projected future shape of the Boeing Company will continue to include the Auburn fabrication plant as it works to fill a

seven-year global backlog of airplane orders. Boeing jobs account for only 17.5% of the employment base in Auburn as the local economy continues to diversify.

A bright spot in the local economy continues to be the economically successful ventures of the Muckleshoot Indian Tribe. As the second largest employer in the district, the tribe operates two casinos generating \$2 million dollars a day in revenue, a bingo hall, an amphitheater for large outdoor concerts by big name entertainers, small shopping malls and smoke shops.

With a large stock of affordable housing as well as large new residential developments, Auburn continues to be a popular choice for young families. Conveniently located between Seattle and Tacoma as well as being close to several large employers such as Weyerhaeuser, the SuperMall, an Amazon distribution center and other large Boeing plants, Auburn residents enjoy short commutes and have time to participate in school and community activities.

Long-term financial planning

The 2004-05 Citizen's Ad Hoc Committee recommended the district conduct a detailed review of all district facilities and develop a Facilities Master Plan. In 2006, the school district began preparation of a Facilities Master Plan to address Auburn School District's facility needs during the next 10 years. This process included the formation of a Steering Committee in 2008 to provide recommendations for facility modernizations, replacement facilities, new facilities and property acquisitions. The Steering Committee recommended replacement of Auburn High School, Olympic Middle School, Chinook, Dick Scobee, Lea Hill, Pioneer and Terminal Park Elementary Schools. All of these schools have exceeded their economic life span and have an estimated cost of modernization that is more than 70% of their replacement cost.

As the first phase of this facility modernization process, voters passed a proposition for a \$46,400,000 capital improvements levy to fund improvements at 18 schools and six support facilities. After reviewing over 2,700 proposed projects, the Steering Committee selected those improvements that will reduce operating costs, improve health and safety, enhance learning and facility operations, improve accessibility and support physical activity and community uses. The capital improvements levy is for six years beginning in 2010 for the 2010-11 school year through 2015 for the 2015-16 school year. The levies are as follows:

\$12,000,000 for 2010 tax year at an actual rate of \$1.35 per \$1,000 of assessed value
\$10,000,000 for 2011 tax year at an actual rate of \$1.40 per \$1,000 of assessed value
\$11,700,000 for 2012 tax year at an actual rate of \$1.44 per \$1,000 of assessed value
\$ 3,900,000 for 2013 tax year at an estimated rate of \$.50 per \$1,000 of assessed value
\$ 4,400,000 for 2014 tax year at an estimated rate of \$.56 per \$1,000 of assessed value
\$ 4,400,000 for 2015 tax year at an estimated rate of \$.55 per \$1,000 of assessed value

District voters also approved a four year replacement levy on February 14, 2012 to maintain current education programs and services. Although it is the State's "paramount duty" under the State constitution to make "ample" provision" for education, the District must seek additional local funding of about 28.9% of general operational expenditures to provide quality educational programs for all students. Over 43% of levy dollars are spent for an additional 100 educators and support staff to lower class size especially in kindergarten through third grade. Research has shown that funds spent on early education reap the biggest achievement gains in student

learning. Consequently Auburn School District's 2012 state test scores are the highest in district history and above the state average in reading, writing and mathematics.

The balance of the replacement levy dollars are spent on other programs and operations underfunded by the state. These include special education services for special needs students, all athletic and activities programs, honors and college advanced placement programs, teacher training, curriculum adoptions, summer school programs, pupil transportation operations and maintenance and custodial services. These levies are as follows:

\$33,600,000 for 2013 tax year at an estimated rate of \$4.05 per \$1,000 of assessed value
\$35,600,000 for 2014 tax year at an estimated rate of \$4.16 per \$1,000 of assessed value
\$37,600,000 for 2015 tax year at an estimated rate of \$4.31 per \$1,000 of assessed value
\$39,600,000 for 2016 tax year at an estimated rate of \$4.45 per \$1000 of assessed value

The combined tax rate for all funds including the capital improvements levy above was \$6.14 per \$1,000 of assessed value for 2012.

On November 6, 2012, voters approved the second phase of the facility modernization plan by passing a \$110 million Auburn High School Modernization and Reconstruction bond. Funds will be used to build a new three story Auburn High School classroom building and modernize the Performing Arts Center and Automotive Technology buildings. Tentative plans call for three bond sales beginning with \$59,265,000 on January 8, 2013, followed by sales in December 2013 and 2014. The combined tax rate for all funds is projected to be \$6.62 per \$1,000 of assessed value for 2013.

As part of the January 8, 2013 bond sale, the District also advance refunded \$20,000,000 of the 2005 bond issue. This refunding will result in over \$3 million of savings over the life of the bonds from 2013 to 2024. It has always been the District practice to aggressively refinance bonds whenever it has been financially advantageous.

Relevant financial policies

As a budget policy, the District does not use one-time funds for ongoing District operations. As an example, Federal stimulus funds were generally used for one-time expenditures such as supplies, equipment and pilot projects.

District policies require line item control on all budgeted expenditures. Principals, program administrators and grants managers are held accountable for their building and program allocations.

Tax levies and bond issues are structured to maintain a level annual tax burden on District tax payers.

Major initiatives

Capital projects. A major initiative of the 2012 year was to obtain community support for the \$110 million Auburn High School Modernization and Reconstruction Bond. While a majority of voters in Auburn School District voted yes on February 14, 2012 for the bond issue, the vote did not meet the 60% threshold necessary for passage. The measure received a 56.24% yes vote.

When it was resubmitted to the voters on November 6, 2012, the measure passed with a 62% yes vote.

The community's support to begin the critical reconstruction of Auburn High School is a testament to Auburn's commitment to provide 21st century teaching and learning environments for all students. Auburn High School, built in 1950 and expanded five times since then, needs to be replaced because the cost to remodel the school exceeds 70% of the cost of a new building. The construction of the new three story brick classroom building will be on the East Main Street side of the current campus so students can safely remain in the current building on 4th Street NE during the project. This building is scheduled to open September 2014 when improved energy efficiencies will begin to save the District \$250,000 in annual operating costs. By the time that the last phase of the project is finished in 2016, the performing arts center and auto shop buildings will be modernized, over 300 parking stalls will have been added, and new synthetic turf baseball and softball fields will be completed.

Foundation. Another major initiative during the year was the creation of the Auburn Public Schools Foundation (APSF), a new independent, community-based, non-profit 501(c)3 organization. The foundation recognizes the fact that public funds alone cannot adequately support the essential efforts to advance student achievement in the District. Its mission is to build financial partnerships with individuals, corporations and foundations so that all students have the resources they need to achieve academic excellence. APSF plans to raise funds through corporate donations, grants, gifts, corporate sponsorships and special events with various alumni groups.

Grants. Auburn School District joined six other King County school districts-Federal Way, Highline, Kent, Renton, Seattle and Tukwila to win a \$40 million Race to the Top grant. It was one out of 16 winners selected out of 372 applications nation-wide and 1 of only 2 applicants to win the maximum award of \$40 million. The winning plan covers 261 schools and 150,000 students, including 36,000 high-needs children. The districts will use the four-year grant to implement plans to help students "Start Strong," be "STEM Strong" and "Stay Strong". It will provide funds to help districts work with preschools and early learning programs to help kids be ready to start their academic lives strong in kindergarten. Funds will be provided to support Science, Technology, Engineering and Math (STEM) career readiness programs. The grant will also support strategies that will help more students stay strong and be successful in postsecondary education.

Awards and acknowledgements

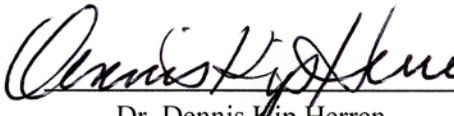
The Association of School Business Officials (ASBO) established the Certificate of Excellence in Financial Reporting Program to encourage school districts to publish outstanding financial reports. ASBO has awarded a Certificate of Excellence to Auburn School District No. 408 for its Comprehensive Annual Financial Report for the fiscal year ended August 31, 2011 its twenty-third such award for the district. In order to be awarded such a certificate, a school district must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which must conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. This certificate is valid for a period of one year.

We believe our current report continues to conform to the principles and standards of the Certificate of Excellence program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

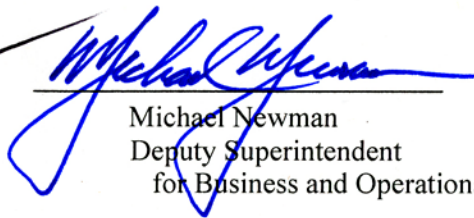
We would like to express our appreciation to the school board, managers, principals, and program directors for their responsible participation in the sound financial management of the district. We wish to thank the Washington State Auditor's Office for the timely completion of their audit and their professional assistance in the preparation of this report. Special appreciation is also expressed to the entire Business Services staff for the excellent maintenance of the financial records of the district and the preparation of this report.

The financial section of this report, which immediately follows this introductory section, includes the financial statements and supplemental data of the district accompanied by our auditor's opinion. It is followed by the statistical section, which contains a number of tables of unaudited data depicting the financial history of the district for the past 10 years, information on overlapping governments, and demographic and other miscellaneous statistics.

Respectfully submitted,



Dr. Dennis Kip Herren
Superintendent and
Board Secretary



Michael Newman
Deputy Superintendent
for Business and Operations

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Auburn School District No. 408

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended August 31, 2011*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Brian L. Mee'.

Brian L. Mee, SFO, RSBA
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director

Financial Section

- **Independent Auditor’s Opinion**
- **Management’s Discussion and Analysis**
- **Government-Wide Financial Statements**
- **Governmental Fund Financial Statements**
- **Fiduciary Fund Financial Statements**
- **Notes to the Financial Statements**
- **Required Supplementary Information**
- **Supplemental Data**





Washington State Auditor Troy Kelley

INDEPENDENT AUDITOR'S REPORT

March 22, 2013

Board of Directors
Auburn School District No. 408
Auburn, Washington

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Auburn School District No. 408, King County, Washington, as of and for the year ended August 31, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Auburn School District No. 408, King County, Washington, as of August 31, 2012, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 21, budgetary comparison information on pages 58 through 59 and information on postemployment benefits other than pensions on page 60 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.

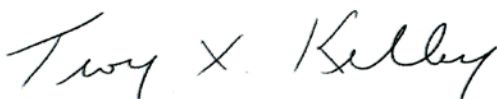
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The accompanying information listed as supplemental data on pages 62 through 91 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the introductory and statistical sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated March 22, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the District's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Sincerely,



TROY KELLEY
STATE AUDITOR

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Auburn School District No. 408, we offer readers of the district's comprehensive annual financial report (CAFR) this narrative overview and analysis of the financial activities of the district for the fiscal year ended August 31, 2012.

FINANCIAL HIGHLIGHTS

- The district's net assets of governmental activities as of August 31, 2012 were \$201,589,434.
- During the year, the district had revenues that were \$6.8 million greater than the \$153.1 million in expenses incurred for all governmental activities, resulting in a corresponding increase in the district's net assets.
- The general fund expenditures exceeded revenues by \$1.3 million.
- In May of the fiscal year, the district saved taxpayers over \$1.4 million by refunding prior year bonds.
- District taxpayers approved a \$110 million Auburn High School Modernization and Reconstruction Bond on November 6, 2012. The money will be used to reconstruct aging Auburn High School including facility upgrades to address educational program needs. The project will also incorporate safety and energy improvements that will save the district \$250,000 in annual maintenance and operations costs. In addition, funds will be used to modernize the Auburn High School's Performing Arts Center and Automotive Technology buildings. The project is eligible for \$25 million in State matching funds.
- On January 8, 2013, the district sold \$78,855,000 in unlimited tax general obligation and refunding bonds. The new money portion of the bonds, in the amount of \$59,265,000, represents the first series of bonds issued under the \$110 million bond authorization described above. The balance of the sale of \$19,590,000 advance refunded the \$20 million of the 2005 bonds. The total net savings of \$3,013,853 had a net present value of \$2,601,687 as of January 22, 2013 the bond sale settlement date.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three parts: an introductory section, a financial section, and a statistical section. The financial section includes the independent auditor's report, management's discussion and analysis, the basic financial statements and related notes to the financial statements.

The basic financial statements consist of a series of statements that present different financial views of the district:

- The first two statements are *district-wide financial statements* that provide both short-term and long-term information about the district's overall financial status and activities. For district activities, these statements tell how these services were financed in the short term as well as what remains for future spending.
- All of the remaining statements are *fund financial statements* that report district

operations in more detail by providing information about the district's most significant funds. Information is also provided about activities for which the district acts solely as a trustee for the benefit of those outside of the government.

DISTRICT-WIDE FINANCIAL STATEMENTS

The district-wide financial statements are designed to provide a broad overview of district finances, similar to a private-sector business. The *statement of net assets* presents information on all of the assets and liabilities of the district. The difference between the two is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities presents information showing how the district's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying financial event takes place, regardless of when the cash is actually received or disbursed. Thus, revenues and expenses are reported in this statement for some items that will result in cash receipts or disbursements in future fiscal periods. Earned but unused vacation leave and uncollected taxes are examples of these types of items.

FUND FINANCIAL STATEMENTS

A fund is a group of related accounts used to maintain control over resources segregated for specific activities or objectives. The district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All district funds can be divided into two categories: governmental funds and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds account for essentially the same functions reported as governmental activities in the *district-wide financial statements*. However, unlike these statements, *governmental fund financial statements* focus on how money flows into and out of the funds and the balances left at year-end that are available to spend. These funds use an accounting method called *modified accrual accounting* which measures cash and all other financial assets that can easily be converted to cash. Such information may be useful in evaluating the district's ability to finance the district's educational programs and support operations in the near future.

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

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the *governmental fund statement of revenues, expenditures and changes in fund balance* for the General Fund, Associated Student Body (ASB) Fund, Capital Projects Fund, Transportation Vehicle Fund and the Debt Service Fund, all of which are considered major funds.

FIDUCIARY FUNDS

The district is the trustee or fiduciary, for individuals, private organizations and other governments for scholarships and to employees for an employee benefit trust for vision services.

All of the district's fiduciary activities are reported in a separate *statement of fiduciary net assets* and *changes in fiduciary net assets* under the fiduciary financial statement section. These activities are excluded from the district's other financial statements because the district cannot use these assets to finance its operations. The district is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET ASSETS

Net assets may serve as a useful indicator of the district's financial position. Auburn School District's assets exceed liabilities by \$201,589,434 at the end of the fiscal year, August 31, 2012.

Approximately 66.5% of net assets are the investment in capital assets such as land, buildings and equipment less any related outstanding debt used to acquire those assets. The district continues to modernize various schools to meet student needs. These assets are not available for future spending. The remainder consists of amounts restricted for capital projects, debt service and other purposes, with \$26 million unrestricted.

The increase in total net assets for the year was \$6,757,244. Key elements of this increase are as follows:

Auburn School District's Net Assets			
August 31, 2012 and 2011			
	Governmental Activities		
	2012	2011	Change
Current and other assets	\$ 73,566,857	\$ 75,354,162	\$ (1,787,305)
Capital assets	235,859,457	230,573,165	5,286,292
Total assets	309,426,314	305,927,327	3,498,987
			-
Other liabilities	6,117,423	6,698,550	(581,127)
Long-term debt outstanding	101,719,457	104,396,587	(2,677,130)
Total liabilities	107,836,880	111,095,137	(3,258,257)
			-
Net assets			-
Invested in capital assets, net of related debt	146,736,281	137,067,119	9,669,162
Restricted	28,855,651	25,920,648	2,935,003
Unrestricted	25,997,502	31,844,423	(5,846,921)
Total Net Assets	\$ 201,589,434	\$ 194,832,190	\$ 6,757,244

STATEMENT OF ACTIVITIES

Governmental activities improved the district’s overall financial position, increasing the district’s net assets by \$6,757,244. Key elements of the increase are as follows:

AUBURN SCHOOL DISTRICT'S Changes in Net Assets			
Governmental Activities			
For the Fiscal Years Ended August 31, 2012 and 2011			
<u>Revenues</u>	2012	2011	Changes
Program Revenues			
Charges for services	\$ 5,403,153	\$ 5,239,221	\$ 163,932
Operating grants and contributions	28,342,502	32,499,827	(4,157,325)
Capital grants and contributions	3,204,811	1,158,945	2,045,866
General revenues			
Property taxes for levies for educational programs	29,863,934	30,583,209	(719,275)
Property taxes for levies for debt service	7,750,422	8,211,474	(461,052)
Property taxes for levies for capital improvements and technology	10,158,388	14,550,420	(4,392,032)
Unallocated state apportionment and other	74,884,134	72,679,379	2,204,755
Interest and investment earnings	288,206	361,412	(73,206)
Total Revenues	<u>159,895,550</u>	<u>165,283,887</u>	<u>(5,388,337)</u>
<u>Expenses</u>			
Regular instruction	85,774,558	81,384,392	4,390,166
Special instruction	17,423,833	15,719,955	1,703,878
Vocational instruction	5,855,583	6,065,799	(210,216)
Compensatory education	8,267,625	13,912,526	(5,644,901)
Other instructional programs	1,075,753	782,067	293,686
Community services	916,705	811,372	105,333
Support services	16,454,457	15,884,498	569,959
Child nutrition services	5,114,428	4,927,536	186,892
Pupil transportation services	6,527,948	6,545,122	(17,174)
Extracurricular activities (ASB)	2,198,599	2,265,631	(67,032)
Interest on long-term debt	3,528,817	3,499,072	29,745
Total Expenses	<u>153,138,306</u>	<u>151,797,970</u>	<u>1,340,336</u>
Increase (decrease) in Net Assets	6,757,244	13,485,917	(6,728,673)
Beginning Net Assets	194,832,190	181,346,273	13,485,917
Ending Net Assets	<u>\$ 201,589,434</u>	<u>\$ 194,832,190</u>	<u>\$ 6,757,244</u>

The largest revenue decrease of almost \$4.4 million was for property tax levies for capital improvements and technology. The combined levy for calendar year 2012 was \$11,700,000 compared to the 2011 levy of \$13,900,000 and the levy of \$12,000,000 for calendar year 2010. The differences between the calendar levy year and the district accounting fiscal year as well as the differences between accrual and cash basis accounting yields the drop in property tax revenue. Cash collections for fiscal year 2011-12 were \$12,593,236 compared to cash collections of \$12,823,621 for fiscal year 2010-11 for a cash basis difference of only \$230,385. Operating grants and contributions decreased by almost \$4.2 million due to the expiration of American Recovery and Reinvestment Act (ARRA) federal grants. This drop in revenue was offset by an increase of over \$2 million dollars of state general apportionment dollars, a state energy grant for \$1.3 million and over \$1 million in City of Auburn impact fees for new residential construction permits.

The decrease in expenditures of \$5.6 million in compensatory education was offset by increases of \$4.39 million in regular instruction and \$1.7 million in special instruction as federal compensatory staff were moved to regular and special education programs.

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The focus of the district's *governmental funds* is to provide information on short-term cash inflows, outflows, and balances of spendable resources. Such information is useful in assessing the district's net resources available for spending at the end of the fiscal year.

As the district completed the fiscal year, its governmental funds (as presented in the balance sheets in the Governmental Fund Financial Statement section) reported a combined fund balance of \$68,644,901, an increase of \$113,867 over the prior year combined fund balance of \$68,531,034. This change is the result of the following factors:

GENERAL FUND

The General Fund is the major operating fund of the district, providing the majority of the resources for educational programs and support operations.

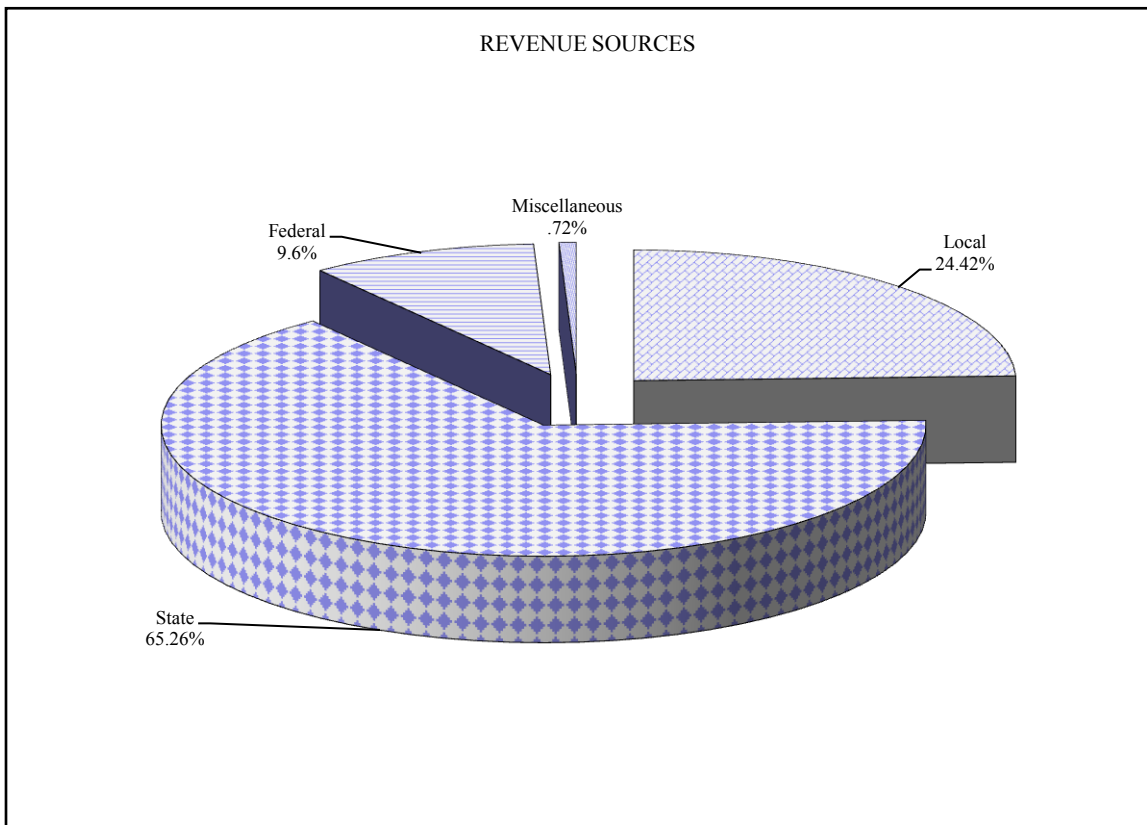
GENERAL FUND REVENUES

Revenues for the General Fund totaled \$135,805,686 in the fiscal year ending August 31, 2012. This was \$593,455 or .44% more than the prior year. The State of Washington provides over 65% or the largest portion of the District's revenue. Local revenues from local property taxes, and local fees and charges account for over 24% of total revenues. Federal grants provide just under 10% of revenue.

GENERAL FUND REVENUES

Revenue Source	2011-12	2010-11	Increase (Decrease) Amount	Increase (Decrease) Percent
Local Taxes & Non-taxes	\$ 33,160,352	\$ 31,568,350	\$ 1,592,002	5.04%
State Revenues	88,627,797	85,579,465	3,048,332	3.56%
Federal Revenues	13,042,232	17,135,473	(4,093,241)	-23.89%
Other Revenues	<u>975,305</u>	<u>928,943</u>	<u>46,362</u>	4.99%
Totals	<u>\$ 135,805,686</u>	<u>\$ 135,212,231</u>	<u>\$ 593,455</u>	0.44%

The increase of \$1,592,002 in local taxes and other local sources was primarily due to the increase in the special property tax levies approved by the voters. Calendar year 2012 levy was \$30,317,828 compared to the 2011 levy of \$29,400,000 and the 2010 levy of \$25,991,256. State revenue grew by \$3,048,332 compared to the prior year primarily as the result of the state legislature replacing \$2.8 million of state funds for federal American Recovery and Reinvestment Act (ARRA) grant funds that expired the prior year. Federal revenues decreased by \$4,093,241 primarily due to the expiration of the American Recovery and Reinvestment Act (ARRA) federal stimulus grants. Other revenues increase slightly by \$46,362 due to increased reimbursement from other districts for out of district transportation of homeless students.



GENERAL FUND EXPENDITURES

Expenditures in the General Fund totaled \$137,089,721 for the fiscal year. This represents an increase of \$2,333,330 or 1.73% over the prior year.

<u>GENERAL FUND EXPENDITURES</u>	2011-12	2010-11	Increase (Decrease) Amount	Increase (Decrease) Percent
Current				
Regular Instruction	\$ 78,528,993	\$ 73,870,533	\$ 4,658,460	6.31%
Special Education	16,643,184	14,735,842	1,907,342	12.94%
Vocational Instruction	5,475,188	5,654,358	(179,170)	(3.17%)
Compensatory Education	7,715,152	12,900,946	(5,185,794)	(40.20%)
Other Instructional Programs	1,006,558	670,850	335,708	50.04%
Community Services	902,401	794,902	107,499	13.52%
Support Services	15,959,864	15,402,775	557,089	3.62%
Child Nutrition Services	5,053,335	4,814,488	238,847	4.96%
Pupil Transportation Service	5,702,805	5,782,168	(79,363)	(1.37%)
Capital Outlay				
Equipment	102,241	129,529	(27,288)	(21.07%)
Totals	<u>\$ 137,089,721</u>	<u>\$ 134,756,391</u>	<u>\$ 2,333,330</u>	1.73%

The increase of \$4.7 million in state funded regular instructional expenditures and \$1.9 million in state funded special education expended instruction were offset by a decrease of \$5.2 million in federally funded compensatory instruction. Federal Stimulus ARRA grant funds expired at the same time as state funds increased causing a shift of resources from federal programs to state funded programs.

Vocational instruction otherwise known as Career and Technical Education expenditures decreased slightly by 3.17% or \$179,170 over the prior year. This decrease was due to a drop in enrollment for vocational programs of approximately 92 FTE

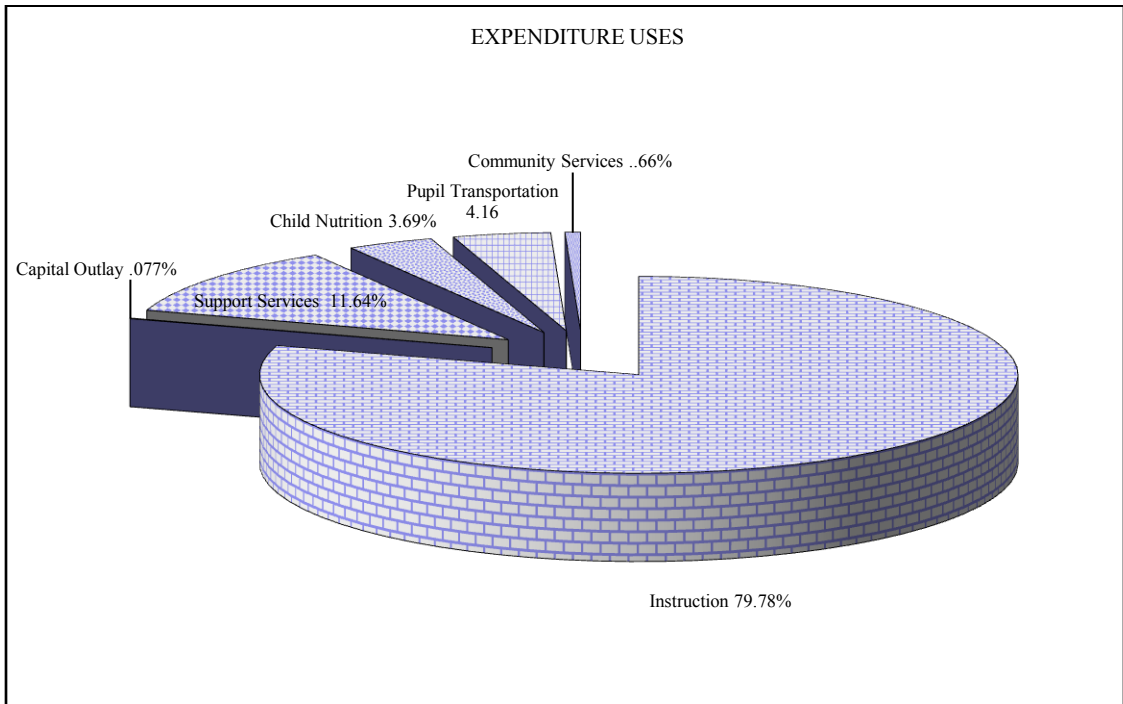
Other instructional program expenditures increased by \$335,708 due to the increase in a variety of special grants. These include an increase of over \$150,000 for the fiscal year from the Muckleshoot Indian Tribe for Indian education programs at Auburn High School, Olympic Middle School and Chinook Elementary School. The district was also awarded a \$75,000 Federal Emergency Management Agency (FEMA) grant to repair major wind storm damage to district facilities. In addition local PTA's and other community supporters increased their donations by over \$50,000 compared to the prior year.

Support service expenditures increased by \$557,089 compared to the prior year primarily due to the receipt in the prior year of over \$453,000 in water, sewer and garbage refunds at Auburn High School and two elementary schools. The refunds were due to the efforts of the district utility management program staff vigilant review and monitoring of all district utility costs.

The 4.96 % increase in child nutrition service expenditures was primarily the result of increases in food and food preparation costs of over \$176,000. In addition, employee benefit costs for retirement and health care increased by over \$50,000 compared to the prior year.

Pupil Transportation costs decreased slightly by 1.37% or \$79,363 during the year. Increasing

gasoline prices pushed total costs for bus fuel up almost \$83,000 compared to the prior year. However this was more than offset by the reduction of \$175,000 in salaries for bus drivers no longer needed due to more efficient bus routing. New software installed during the year generated this cost savings.



MAJOR FUND BUDGETARY HIGHLIGHTS

Appropriations are a prerequisite to expenditures in the governmental funds. Appropriations lapse at the end of the fiscal year. The fiscal year 2011-12 budget adopted by the Board of Directors for the district totaled \$180,340,024 including General Fund appropriations of \$142,565,696, Special Revenue Fund (ASB) appropriations of \$4,026,384, Debt Service Fund appropriations of \$8,232,944, Capital Projects Fund appropriations of \$24,050,0000 and Transportation Vehicle Fund appropriations totaling \$1,465,000.

Reasons for the significant variances in the general fund between the budget and actual results include:

- Total actual general fund revenues were only \$84,651 less than budgeted. While anticipated local grants were \$845,019 less than expected and the district did not receive \$224,777 in anticipated E-Rate funds, federal grants were \$1,091,382 more than projected. These additional federal grant revenues included Special Education Safety Net revenues of \$271,144, an increase of \$264,597 for Medicaid Administrative Match, \$127,211 for Medicaid Reimbursements for Special Education services, \$204,554 of increased reimbursement from the USDA breakfast and lunch program, an increase of \$56,641 for USDA commodities for the breakfast and lunch program and \$120,822 of increased Title II funds.
- Expenditures of \$137,089,721 were \$5,475,975 less than the budgeted \$142,565,696 as a result of several cost saving initiatives. Of these initiatives, careful supply management in every school and department yielded the most significant savings of \$1.8 million compared to budget. Energy audits and conservation programs instituted by the

district maintenance department produced utility expenditures approximately \$1 million below budget. Employee benefits were also below budget by about \$815,000 primarily due to less than projected benefit rate increases. In addition, local grant program expenditures were almost \$1 million less than projected due to less than projected local grant revenues.

Reasons for the significant variances in the capital projects fund between the budget and actual results include:

- Local Non-taxes that were \$912,391 more than projected. This was primarily because school impact fees exceeded projections by \$639,000 and Puget Sound Energy provided an unexpected \$191,321 in rebates for energy improvements at several district schools.
- Expenditures that were \$10.3 million less than projected because many projects were still in the planning stage.

Revenues were less than projected in the Associated Study Body Fund by approximately \$1.8 million and expenditures were less than projected by a similar amount. Students and their adult advisors did an outstanding job of living within their reduced revenue. Student fundraising has been adversely impacted by the decline in the economy.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The District's investment in capital assets for its governmental type activities as of August 31, 2012 amounted to \$235,859,457 (net of accumulated depreciation of \$106,516,031). This investment in capital assets includes land, buildings, land and building improvements, furniture and equipment.

During the fiscal year, \$1,612,630 was added to land, \$228,488 was added to buildings for improvements that met the capitalization policy of \$100,000, \$171,673 was added to equipment that met the capitalization policy of \$5,000 per unit, and \$9,576,537 was added to construction in progress primarily for future school sites and modernization projects. Surplused equipment that originally cost \$1,251,833 was removed from the books. Items with a market value were sent to the State of Washington Surplus Property Department to be sold at auction. All other items were sent to the King County Refuse Station.

See Note 4, Changes in Capital Assets, for more information.

CAPITAL ASSETS			
	Capital Assets	Accumulated Depreciation	Net
Land	\$ 22,990,609	\$ -	\$ 22,990,609
Building & Improvements	261,607,138	(93,935,550)	167,671,588
Equipment	17,548,050	(12,580,481)	4,967,569
Construction In Progress	40,229,691	-	40,229,691
Total	\$ 342,375,488	\$ (106,516,031)	\$ 235,859,457

DEBT ADMINISTRATION

At the end of the current fiscal year, the district had \$87,125,000 in unlimited general obligation bonds outstanding. This debt is secured by a pledge of the full faith and credit of the district. \$2,285,000 of that debt is due within the next twelve months.

The Washington State Constitution and the Revised Code of Washington 39.36.015 and 39.36.020 limit the amount of general obligation (GO) debt that may be issued. With a vote of the people, debt cannot be incurred in excess of 5% of the value of the taxable property of the district, provided the indebtedness in excess of 2.5% is for capital outlay. For the fiscal year ended August 31, 2012, the maximum GO debt authorized by statutory limit was \$407.3 million. The district had \$87.125 million of debt outstanding at August 31, 2012, that was subject to that limitation. With \$2.044 million of assets in the Debt Service Fund available for payment of principal, there is a legal debt margin of \$322.2 million.

On April 23, 2012 Moody's Investor Service migrated the district's Municipal Scale Rating to a Global Scale Rating. As a result of this migration, the district's rating was changed from A1 to Aa2. This rating was reaffirmed on December 21, 2012. Additional information on the district's bonded debt obligations is presented in Note 8.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2012-13 appropriations for governmental funds of the district were approved at \$186,831,525. For calendar year 2012, the total property tax rate for special levies was \$6.14 per \$1,000 of assessed property value. The projected rate for 2013 is \$6.62 per \$1,000 of assessed value. Total assessed value declined by 4.9% from \$8.57 billion to \$8.15 billion during 2012. For 2013, the projected assessed valuation is \$7.78 billion, a decrease of 4.5% from the prior year.

The district serves the cities of Auburn, Pacific, Algona, and parts of Kent and Black Diamond as well as portions of unincorporated King and Pierce Counties. The outlook for the local economy for 2013 is one poised for continued growth as new businesses locate here, diversifying the tax base. Auburn is a participant in the resilient Puget Sound economy as indicated by the drop in the unemployment rate from 8.1% in 2011 to 7.1% in 2012. Auburn's economy has been relatively stable as many of its basic industries have been somewhat insulated from economic downturns. This has been reflected in relatively stable property tax collection rates with no noticeable declines.

The Boeing Company is the largest single employer and tax payer in the City of Auburn with a steady 6% of assessed valuation. Other major employers include the Auburn School District, the Muckleshoot Tribal Casino, Auburn Regional Medical Center, Green River Community College, Emerald Downs Racetrack, the Social Security Administration, the Federal Aviation Administration and the Auburn Supermall. In 1990, Boeing accounted for 71% of all jobs in the City of Auburn. Today, Boeing jobs account for only 17.5% of the employment base in Auburn as the local economy continues to diversify. The projected future shape of the Boeing Company includes the Auburn Fabrication plant as it works to fill a seven-year global backlog of airplane orders.

Over the last decade, Auburn's location has enabled it to diversify from primarily aircraft manufacturing to becoming a regional hub for wholesale distribution centers, entertainment complexes, medical centers, a large shopping mall, a commuter rail center and federal government administration centers. Auburn will continue to reap economic benefits from its location far into the future. According to the City of Auburn, some of the most recent and

significant projects are:

- Orion Industries, Boeing Supplier of the Year, recently announced plans to move 265 employees to a new 100,000 square-foot facility in Auburn. Orion expects to open the facility in November 2013. Management cited as reasons to locate, Auburn's close proximity to a growing cluster of aerospace suppliers as well as increased accessibility to public transportation for staff.
- Auburn Junction, a four-block downtown redevelopment project near the Transit Station, is valued at \$240 million. It will eventually offer 750,000 square feet of retail, office and living space. Since the State Legislature has identified the project as a demonstration project, the City has received \$6.3 million in resources to finance infrastructure improvements in the downtown area. These improvements include the South Division Street Promenade Project and the City Hall Plaza Project.
- The Robertson Property Group (RPG) plans to turn a former drive-in movie complex into a 70-acre multi-phased, mixed-use residential and retail development. The Auburn Gateway project will have 720,000 square feet of retail, 500 residential units and up to 1.6 million square feet of office space.
- The Pacific Raceways motorsports complex will be expanding to include a new oval racetrack and a racing industrial park with one million square feet of industrial space with room for retail. The plan, which is estimated to cost \$135 million, will meet the higher standards of car clubs and other racing groups thereby attracting more high profile racing events.
- Amazon has opened a new 500,000 square foot shipping and receiving facility in the nearby Sumner Industrial Park. It is bringing hundreds of family wage full-time jobs to the area.

REQUESTS FOR INFORMATION

This financial report is designed to provide the district's citizens, taxpayers, customers, investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, visit www.auburn.wednet.edu or contact

Toni Lally, CPA
Executive Director of Business Services
Auburn School District No. 408
915 4th Street NE
Auburn, WA 98002

Government-Wide Financial Statements

The government-wide financial statements consist of the Statement of Net Assets and the Statement of Activities.

These statements report all financial and capital resources of the primary government as a whole, except for the fiduciary funds of the primary government.

The Statement of Net Assets displays “assets less liabilities equal net assets” format.

The Statement of Activities presents governmental activities by function, at the level of detail required in the governmental fund statement of revenues, expenditures and changes in fund balances.

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting.



AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF NET ASSETS
August 31, 2012

Schedule 1

	Note #		Primary Government Governmental Activities
ASSETS			
Cash and Cash Equivalents	1.E.1 and 2	\$	41,344,945
Property Tax Receivable	1.E.2		29,907,877
Receivables, Net	1.E.3		141,412
Due from Other Governments	1.E.5		1,292,104
Inventories	1.E.6		628,289
Capital Assets, not being depreciated			
Land	4	\$ 22,990,609	
Construction-in-progress	5	40,229,691	
Total capital assets, not being depreciated		63,220,300	
Capital Assets, being depreciated			
Buildings & Improvements	4	261,607,138	
Equipment	4	17,548,050	
Total capital assets, being depreciated		279,155,188	
Less accumulated depreciation	4	(106,516,031)	
Total capital assets, net of accumulated depreciation		172,639,157	
Capital assets, net of accumulated depreciation			235,859,457
Deferred Charges -Unamortized Bond Issuance Costs			252,230
TOTAL ASSETS			309,426,314
LIABILITIES			
Accounts Payable			2,777,325
Accrued Wages & Benefits Payable			1,629,229
Due to Other Governments			224,694
Accrued Interest			822,388
Unearned Revenue	1.E.9		663,787
Long-Term Liabilities			
Due within one year	8		2,692,301
Due in more than one year			99,027,156
TOTAL LIABILITIES			107,836,880
NET ASSETS			
Invested in capital assets, net of related debt			146,736,281
Restricted for:			
Capital Projects			22,805,203
Debt Service			2,044,146
Student ASB Activities			1,433,077
Acquisition of School Buses			1,654,860
Nutrition Services			918,365
State Grants			
Unrestricted			25,997,502
TOTAL NET ASSETS		\$	201,589,434

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

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2012

Functions/Programs	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	PRIMARY GOVERNMENT Governmental Activities
Primary Government:					
Governmental Activities:					
Regular Instruction	\$ 85,774,558	\$ 638,480	\$ 45,555	\$ 2,533,719	\$ (82,556,804)
Special Instruction	17,423,833		11,402,448		(6,021,385)
Vocational Instruction	5,855,583	442,099	100,452		(5,313,032)
Compensatory Education	8,267,625		7,928,459		(339,166)
Other Instructional Programs	1,075,753	4,930	1,190,224		119,401
Community Services	916,705	616,534			(300,171)
Support Services	16,454,457	203,566			(16,250,891)
Child Nutrition Services	5,114,428	1,251,867	4,851,875		989,314
Pupil Transportation Services	6,527,948		2,823,489	671,092	(3,033,367)
Extracurricular Activities (ASB)	2,198,599	2,245,677			47,078
Interest Expense on Long-Term Debt	3,528,817				(3,528,817)
Total Governmental Activities	\$ 153,138,306	\$ 5,403,153	\$ 28,342,502	\$ 3,204,811	\$ (116,187,840)

General Revenues:

Taxes:

Property taxes, levies for educational programs	29,863,934
Property taxes, levies for debt service	7,750,422
Property taxes, levies for capital improvements and technology	10,158,388
Unallocated State Apportionment & Others	74,884,134
Interest and Investment earnings	288,206

Total General Revenues and Special Items**122,945,084****Changes in Net Assets****6,757,244****Net Assets - Beginning****194,832,190****Net Assets - Ending****\$ 201,589,434**

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

Governmental Fund Financial Statements

The governmental fund financial statements consist of major governmental funds:

1. General Fund
2. Special Revenue Fund (Associated Student Body)
3. Debt Service Fund
4. Capital Projects Fund
5. Transportation Vehicle Fund

The governmental funds focus primarily on the sources, uses and balances of current financial resources and the modified accrual basis of accounting.



AUBURN SCHOOL DISTRICT NO. 408

FUND BALANCE SHEET
GOVERNMENTAL FUNDS

August 31, 2012

	GENERAL FUND	SPECIAL REVENUE FUND (ASB)	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANSPORTATION VEHICLE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:						
Cash and Cash Equivalents	\$ 11,076,355	\$ 1,713,081	\$ 2,078,544	\$ 24,820,785	\$ 1,656,180	\$ 41,344,945
Property Tax Receivable	15,257,600	-	4,074,275	5,902,126	1,692	25,235,693
Accounts Receivable, Net	111,746	11,623	-	-	-	123,369
Interest Receivable	4,805	555	857	11,125	701	18,043
Due From Other Funds	2,458	-	-	-	-	2,458
Due From Other Government Units	1,116,541	-	-	174,347	1,216	1,292,104
Inventories at Cost	628,289	-	-	-	-	628,289
TOTAL ASSETS	28,197,794	1,725,259	6,153,676	30,908,383	1,659,789	68,644,901
LIABILITIES:						
Accounts Payable	636,352	24,426	35,255	2,081,292	-	2,777,325
Accrued Liabilities	1,629,229	-	-	-	-	1,629,229
Due to Other Governments	102,819	5,124	-	113,514	3,237	224,694
Due To Other Funds	-	2,319	-	139	-	2,458
Deferred Revenue	15,654,966	260,313	4,074,275	5,908,235	1,692	25,899,481
TOTAL LIABILITIES	18,023,366	292,182	4,109,530	8,103,180	4,929	30,533,187
FUND BALANCES:						
Nonspendable	628,289	10,873	-	-	-	639,162
Restricted	918,365	1,422,204	2,044,146	22,805,203	1,654,860	28,844,778
Assigned	2,100,000	-	-	-	-	2,100,000
Unassigned	6,527,774	-	-	-	-	6,527,774
TOTAL FUND BALANCES	10,174,428	1,433,077	2,044,146	22,805,203	1,654,860	38,111,714
TOTAL LIABILITIES AND FUND BALANCES	\$ 28,197,794	\$ 1,725,259	\$ 6,153,676	\$ 30,908,383	\$ 1,659,789	\$ 68,644,901

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

AUBURN SCHOOL DISTRICT NO. 408
RECONCILIATION
BALANCE SHEET/STATEMENT OF NET ASSETS
August 31, 2012

Total Governmental Funds	Long-Term Assets, Liabilities *	Reclassification s and Eliminations*	Statement of Net Assets Totals
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ASSETS

Cash and Cash Equivalents	\$ 41,344,945	\$ -	\$ -	\$ 41,344,945
Property Tax Receivable	25,235,693	4,672,184	-	29,907,877
Receivables, Net	123,369	-	-	123,369
Interest Receivable	18,043	-	-	18,043
Due from Other Funds	2,458	-	(2,458)	-
Due from Other Governments	1,292,104	-	-	1,292,104
Inventories	628,289	-	-	628,289
Capital Assets, Net	-	235,859,457	-	235,859,457
Unamortized Bond Issue Costs	-	252,230	-	252,230

TOTAL ASSETS

68,644,901	240,783,871	(2,458)	309,426,314
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LIABILITIES

Accounts Payable	2,777,325	-	-	2,777,325
Accrued Liabilities	1,629,229	-	-	1,629,229
Due to Other Governments	224,694	-	-	224,694
Due to Other Funds	2,458	-	(2,458)	-
Accrued Interest	-	822,388	-	822,388
Deferred Revenue	25,899,481	(25,235,694)	-	663,787
Long-Term Liabilities	-	101,719,457	-	101,719,457

TOTAL LIABILITIES

30,533,187	77,306,151	(2,458)	107,836,880
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FUND BALANCES/NET ASSETS

Total Fund Balances/Net Assets	38,111,714	163,477,720	-	201,589,434
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TOTAL LIABILITIES AND**FUND BALANCES/NET ASSETS**

\$ 68,644,901	\$ 240,783,871	\$ (2,458)	\$ 309,426,314
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The notes to the basic financial statements are an integral part of this statement.

* See Note 11A

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

	GENERAL FUND	SPECIAL REVENUE FUND (ASB)	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANSPORTATION VEHICLE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Local Taxes	\$ 29,576,925	\$ -	\$ 7,951,648	\$ 12,593,236	\$ 249	\$ 50,122,058
Local Non-Tax	3,583,427	2,255,877	22,054	1,595,382	11,772	7,468,512
State, General Purpose	73,403,321	-	-	-	-	73,403,321
State, Special Purpose	15,224,476	-	-	1,300,000	671,093	17,195,569
Federal, General Purpose	133,197	-	-	-	-	133,197
Federal, Special Purpose	12,909,035	-	-	-	-	12,909,035
Revenues From Other Sources	975,305	-	-	-	-	975,305
TOTAL REVENUES	135,805,686	2,255,877	7,973,702	15,488,618	683,114	162,206,997
EXPENDITURES						
Current:						
Regular Instruction	78,528,993	-	-	-	-	78,528,993
Special Instruction	16,643,184	-	-	-	-	16,643,184
Vocational Instruction	5,475,188	-	-	-	-	5,475,188
Compensatory Education	7,715,152	-	-	-	-	7,715,152
Other Educational Programs	1,006,558	-	-	-	-	1,006,558
Community Services	902,401	-	-	-	-	902,401
Support Services	15,959,864	-	-	-	-	15,959,864
Child Nutrition Services	5,053,335	-	-	-	-	5,053,335
Pupil Transportation Services	5,702,805	-	-	-	-	5,702,805
Extracurricular Activities (ASB)	-	2,198,204	-	-	-	2,198,204
Debt Service:						
Principal	-	-	4,125,000	-	-	4,125,000
Interest and Other Charges	-	-	3,949,622	-	-	3,949,622
Capital Outlay:						
Sites	-	-	-	1,046,024	-	1,046,024
Buildings	-	-	-	8,162,730	-	8,162,730
Equipment	102,241	-	-	1,501,320	-	1,603,561
Energy	-	-	-	3,078,720	-	3,078,720
TOTAL EXPENDITURES	137,089,721	2,198,204	8,074,622	13,788,794	-	161,151,341
Excess of Revenues Over (Under) Expenditures	(1,284,035)	57,673	(100,920)	1,699,824	683,114	1,055,656
OTHER FINANCING SOURCES (USES)						
Proceeds of Long-Term Debt	-	-	9,290,000	-	-	9,290,000
Issuance Premium	-	-	707,004	-	-	707,004
Payment to Refunded Bond Escrow Agent	-	-	(9,935,303)	-	-	(9,935,303)
Sale of Equipment	16,501	-	-	-	21,366	37,867
TOTAL OTHER FINANCING SOURCES (USES)	16,501	-	61,701	-	21,366	99,568
NET CHANGE IN FUND BALANCE	(1,267,534)	57,673	(39,219)	1,699,824	704,480	1,155,224
Fund Balances - September 1	11,441,962	1,375,404	2,083,365	21,105,379	950,380	36,956,490
Fund Balances - August 31	\$ 10,174,428	\$ 1,433,077	\$ 2,044,146	\$ 22,805,203	\$ 1,654,860	\$ 38,111,714

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

AUBURN SCHOOL DISTRICT NO. 408
RECONCILIATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
STATEMENT OF ACTIVITIES
August 31, 2012

	Total Governmental Funds	Long-Term Revenue, Expenses *	Capital Related items *	Long-Term Debt Transactions *	Statement of Activities Totals
REVENUES AND OTHER SOURCES					
Property Taxes	\$ 50,122,058	\$ (2,349,314)	\$ -	\$ -	\$ 47,772,744
Local Non-Taxes	7,468,512	-	37,867	-	7,506,379
State, General Purpose	73,403,321	-	-	-	73,403,321
State, Special Purpose	17,195,569	-	-	-	17,195,569
Federal, General Purpose	133,197	-	-	-	133,197
Federal, Special Purpose	12,909,035	-	-	-	12,909,035
Revenues From Other Sources	975,305	-	-	-	975,305
TOTAL	162,206,997	(2,349,314)	37,867	-	159,895,550
EXPENDITURES/EXPENSES					
Current:					
Regular Instruction	78,528,993	834,805	6,410,760	-	85,774,558
Special Instruction	16,643,184	226,194	554,455	-	17,423,833
Vocational Instruction	5,475,188	88,715	291,680	-	5,855,583
Compensatory Education	7,715,152	83,299	469,174	-	8,267,625
Other Instructional Programs	1,006,558	6,183	63,012	-	1,075,753
Community Services	902,401	14,304	-	-	916,705
Support Services	15,959,864	249,539	245,054	-	16,454,457
Child Nutrition Services	5,053,335	45,824	15,269	-	5,114,428
Pupil Transportation Services	5,702,805	153,877	671,266	-	6,527,948
Extracurricular Activities (ASB)	2,198,204	-	395	-	2,198,599
Debt Service:					
Principal	4,125,000	-	-	(4,125,000)	-
Interest and Other Charges	3,949,622	-	-	(420,805)	3,528,817
Capital Outlay:					
Sites	1,046,024	-	(1,046,024)	-	-
Buildings	8,162,730	-	(8,162,730)	-	-
Equipment	1,603,561	-	(1,603,561)	-	-
Energy	3,078,720	-	(3,078,720)	-	-
TOTAL EXPENDITURES/EXPENSES	161,151,341	1,702,740	(5,169,970)	(4,545,805)	153,138,306
EXCESS OF REVENUES OVER UNDER EXPENDITURES	1,055,656	(4,052,054)	5,207,837	4,545,805	6,757,244
OTHER FINANCING SOURCES (USES)					
Bond Sale and Refunding Bond Sales	9,290,000	-	-	(9,997,004)	(707,004)
Payment to Refunded Bond Escrow Agen:	(9,935,303)	-	-	9,935,303	-
Sale of Equipment	37,867	-	(37,867)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(607,436)	-	(37,867)	(61,701)	(707,004)
NET CHANGE FOR THE YEAR	\$ 448,220	\$ (4,052,054)	\$ 5,169,970	\$ 4,484,104	\$ 6,050,240

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

* See Note 11B

Fiduciary Funds Financial Statements

The fiduciary funds financial statements consist of the Private-Purpose Trust Fund and the Employee Benefit Trust Fund. The fiduciary funds financial statements focus on net assets and changes in net assets.

The Private-Purpose Trust Fund reports all trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

The Employee Benefit Trust Fund reports the trust arrangement under which funds are held for the benefit of employees for vision services.



AUBURN SCHOOL DISTRICT NO. 408
FIDUCIARY FUNDS
STATEMENT OF NET ASSETS
August 31, 2012

	Private Purpose Trust Fund	Employee Benefit Trust Fund
ASSETS		
Cash and Cash Equivalents	\$ 574,876	\$ 90,359
Accounts Receivable	2,000	-
Interest Receivable	274	31
TOTAL ASSETS	\$ 577,150	90,390
LIABILITIES		
Accounts Payable	3,624	5,981
Due to Other Governmental Units	-	
TOTAL LIABILITIES	3,624	5,981
NET ASSETS		
Held in Trusts for Scholarships and Student Aid	573,526	-
Held in Trust for Member Benefits	-	84,409
TOTAL NET ASSETS	\$ 573,526	\$ 84,409

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

AUBURN SCHOOL DISTRICT NO. 408
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET ASSETS
For the Fiscal Year Ended August 31, 2012

	Private Purpose Trust Fund	Employee Benefit Trust Fund
ADDITIONS		
Donations	\$ 135,292	\$ -
Member Contributions	-	155,054
Investment Earnings	4,001	567
Total Additions	139,293	155,621
DEDUCTIONS		
Scholarships	143,952	-
Benefit Claims and Expenses	-	202,440
Total Deductions	143,952	202,440
Change in Net Assets	(4,659)	(46,819)
Net Assets, Beginning of the year	578,185	131,228
Net Assets, End of the year	\$ 573,526	\$ 84,409

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

Notes to the Financial Statements



Auburn School District No. 408
915 4th Street NE, Auburn WA 98002

AUBURN SCHOOL DISTRICT NO. 408
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Auburn School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. The more significant accounting policies of the District are described below:

A. REPORTING ENTITY

The Auburn School District is a municipal corporation organized pursuant to Title 28A *Revised Code of Washington* (RCW) for the purpose of providing public school services to students in grades P-12. Auburn School District operates under an independently elected board of directors. Management of the district is appointed by and is accountable to the board of directors. Fiscal responsibility, including budget authority, the power to set fees, levy property taxes and issue debt consistent with provisions of state statutes, also rests with the board of directors.

Based on the criteria specified in *GASB Statement No. 14, The Financial Reporting Entity*, the district has no component units. The district's Comprehensive Annual Financial Report includes all funds that are controlled by or dependent on the district's board of directors. Control by or dependence on the district was determined on the basis of budget adoption, taxing authority, outstanding debt secured by the general credit of the district, obligation of the district to finance any deficits that may occur, or receipt of significant subsidies from the district.

B. BASIS OF PRESENTATION

The accounts of the district are organized on the basis of funds in governmental fund financial statements, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The district's basic financial statements in this report consist of:

1). Government – Wide Financial Statements

Overall governmental activities are reported here without displaying individual funds or fund types and display information about the district as a whole. The Government-Wide financial statements do not include Fiduciary Funds. The government-wide financial statements consist of the following:

a. Statement of Net Assets

The *Statement of Net Assets* reports all financial and capital resources. Capital assets (land, land improvements, buildings, building improvements, vehicles, and equipment) are reported at historical cost, net of accumulated depreciation.

b. Statement of Activities

The operations of the district are presented net of the applicable program revenues. General revenues are divided into property taxes, interest and investment earnings, and special and extraordinary items. The expenses and revenues are reported as follows:

I). Expenses - Expenses are reported by function/program that includes direct and indirect expenses. Depreciation expenses are allocated to direct expenses if they can be specifically identified with a function or program. Interest expenses may be considered direct expenses when borrowing is essential to the creation or continuing existence of a program. Otherwise, interest on long-term liabilities is considered an indirect expense.

II). Revenues – Revenues are divided into program revenues and general revenues. Program revenues are derived directly from the program itself or from parties outside the district’s taxpayers, as a whole. These revenues reduce the net cost of the function to be financed from the district’s general revenue. Program-specific grants and contributions include revenues arising from mandatory and voluntary non-exchange transactions with federal or state governments, organizations, or individuals. These revenues are restricted for use in a particular program.

General revenues are revenues that are not required to be reported as program revenues, such as property tax levies for a specific purpose and all non-tax revenue such as interest and investment earnings.

2). Fund Financial Statements

a. Governmental Funds

Governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. It includes general fund, special revenue fund (associated student body fund), capital projects fund, transportation vehicle fund, and debt service fund. The district considers all governmental funds to be “major funds”.

I). General Fund - This fund is the general operating fund of the district. It accounts for all financial resources of the district, except those required to be accounted for in another fund. In keeping with the principle of as few funds as necessary, child nutrition, maintenance, information services, printing and pupil transportation activities are included in the fund.

II). Special Revenue Fund (Associated Student Body Fund) - This fund is used to account for the extracurricular fees and resources collected in fund-raising events for students. Disbursements require the joint approval of the appropriate student body organization and the district's board of directors. This fund is accounted for as a special revenue fund since the financial resources legally belong to the district.

III). Debt Service Fund - This fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related expenditures. All of the district's issues are serial bonds rather than term bonds and do not require sinking funds for each issue. Therefore, the district maintains one debt service fund for all bond issues. Also, there are no legal requirements that mandate a separate fund for each bond issue.

IV). Capital Projects Fund – This fund is used to account for the financial resources to be used for the construction or acquisition of major capital assets. This fund must be used when projects are financed wholly or in part by bond issues, intergovernmental resources, major private donations, special levies or insurance recoveries. This fund is also used to account for energy capital improvements.

V). Transportation Vehicle Fund – This fund is used to account for the purchase, major repair, rebuilding and debt service expenditures related to pupil transportation equipment. The major sources of revenue in this fund include the state reimbursement for pupil transportation equipment and special levies.

b. Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. Fiduciary Funds such as the private-purpose trust fund and the employee benefits trust fund are used by a district in its fiduciary capacity as trustee for assets held for individuals, private organizations, and other governments.

I). Private-Purpose Trust Fund - All of the income and principal in the private-purpose trust may be disbursed in the course of its operation. It includes money for scholarships donated by community supporters and funds for student aid provided by InvestED, a public charity formerly known as the Saul Haas Foundation.

II). Employee Benefits Trust Fund (Vision Benefits) – This fund accounts for moneys held in trust for employees participating in the district’s self-insured vision benefits plan. Premiums are deposited into, and vision claims are paid from this fund. The district has contracted with a service provider to administer claims payments.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The *government-wide financial statements* measure and report all financial and capital assets, liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and accrual basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets or cost recovery, and financial position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements include the General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Fund and Transportation Vehicle Fund. They are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the district considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Fiduciary fund financial statements include the Private-Purpose Trust Fund and the Employee Benefits Trust Fund (Vision Benefits). These funds are reported on the accrual basis of accounting.

1). Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances are liquidated at the end of the year; therefore, there are no outstanding encumbrances at year-end.

2). Eliminations and Reclassifications

In the process of aggregating data for the government-wide *statements of net assets* and the *statement of activities*, the inter-fund receivables and payables within governmental funds, except those with fiduciary funds, were eliminated.

D. BUDGETS AND BUDGETARY ACCOUNTING

1). General Budget Policies

The Auburn School District budgets its funds in accordance with the Revised Code of Washington Chapter 28A.505 and Chapter 392-123 of the Washington Administrative Code (WAC). The School District Board adopts the budget after a public hearing. An appropriation is a prerequisite to expenditure. Appropriations lapse at the end of the fiscal period. Annual appropriated budgets are adopted at the fund level. Each governmental fund's total expenditures cannot, by law, exceed its formal fund appropriation. Management is authorized to modify specific accounts within the overall fund appropriation. However, only the Board has the authority to increase or decrease a given fund's annual budget. The Board may adopt a revised or supplemental budget appropriation after a public hearing at anytime during the fiscal year.

2). Budgetary Basis of Accounting

For budget purposes, revenues and expenditures are accounted for on a modified accrual basis of accounting as prescribed in law for all governmental funds. Beginning fund balance is budgeted as available resources and, pursuant to law; the budgeted ending fund balance cannot be negative.

Formal budgetary accounting is employed as a management control for all governmental funds. Budgets are adopted on the same basis of accounting used to reflect actual revenues and expenditures on a generally accepted accounting principles basis.

E. ASSETS, LIABILITIES, NET ASSETS AND FUND BALANCES

1). Cash and Cash Equivalents

The district's cash and cash equivalents consist of cash balances, net of warrants outstanding, and cash equivalents with original maturities of three months or less. At August 31, 2012, cash deposits were \$75,000 petty cash, lunchroom change funds and cash on hand were \$37,424, the fair value of cash equivalents were \$44,251,800 and warrants outstanding were \$2,354,041. In accordance with authorized investment laws, the district's cash equivalents are deposited in the King County Investment Pool. The Pool invests in U.S. Agency mortgage-backed securities to enhance yield. As of August 31, 2012, such securities comprised 0.4% of the Pool's portfolio. As of August 31, 2012, the district's funds invested in the Pool comprised 1.01% of the Pool's portfolio. (See Note 2)

2). Property Taxes

Property tax revenues are collected as the result of special levies passed by the voters in the district. Per Revised Code of Washington 84.60.020, the tax assessment date is January 1 of the

calendar year of collection. The tax lien date is January 1 of the year of collection and taxes receivable are recognized as of that date. Current year taxes are due in full as of April 30, and are delinquent after that date. However, without incurring penalty, the taxpayer may elect to pay one half of taxes due by April 30, with the remaining one half taxes due October 31, and are delinquent after that date. Typically, a little more than half of taxes due are collected on the April 30 date. King County forecloses on property following the third year of delinquency. In *governmental fund financial statements*, property tax revenue that is measurable but not available (taxes that are not expected to be collected within the current period) is recorded as receivable and deferred revenue. In *government-wide financial statements*, property tax revenue, net of estimated uncollectible amounts, is accrued at year-end.

3). Accounts Receivable

This account represents amounts due for services rendered by the district, net of allowance for doubtful accounts.

4). Due From/To Other Funds

Interfund receivables and payables and the associated revenues and expenditures/expenses are recorded in the respective funds in *governmental fund financial statements*. Interfund receivables and payables are eliminated in *government-wide financial statements*, except those with fiduciary funds.

5). Due From Other Governments

This account represents \$1,292,104 of receivables for federal grants of \$1,104,347, state bus and vehicle sales of \$8,180, and local government impact fees of \$174,347. Grant revenues are recorded in the year in which the related expenditures are incurred.

6). Inventories

Inventories of instructional materials are valued at cost using the first-in first-out method. Warehoused inventories of food and maintenance and food service supplies are valued at cost using the weighted average method perpetual inventory system. Inventory is charged as an expenditure when it is issued for consumption. Reservation of fund balance is not necessary. However, the Board of Directors has designated a portion of fund balance to replace or increase the inventories.

7). Bond Discounts, Premiums, Issuance Costs and Refunding Losses

In governmental fund types, bond discounts, premium, issuance costs and refunding losses are recognized in the period of issuance. In *government-wide financial statements*, they are amortized over the life of the bond and charged to expense accounts.

8). Capital Assets

Capital Assets, which include property, buildings and improvements, and equipment are reported in the applicable governmental activities in the *government-wide financial statements*. Capital assets are defined by the district as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year for land, furniture, equipment, vehicles and school buses and \$100,000 for buildings, building improvements and depreciable land improvements with an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal

maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized, but are charged to expenditures in the current period. In *governmental fund financial statements*, there is no depreciation for capital assets. However, depreciation is charged to expenses and allocated to various functions/programs in *government-wide financial statements* in compliance with *GASB Statement No. 34* (See Note 4).

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful life using the straight- line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	50 years
Building Improvements	20 years
Depreciable Land Improvements	20 years
School Buses	8-18 years
Equipment and Vehicles	4-10 years

9). Deferred Revenue

In *governmental fund financial statements*, deferred revenues consist of amounts collected before revenue recognition criteria are met, and receivables which, under the modified accrual basis of accounting, are measurable but not yet available, e.g. unearned property tax revenues, unearned revenues from federal, state, and local grants, and unearned revenues on long-term receivables. In *government-wide financial statements*, property taxes are accrued; therefore there are no deferred property tax revenues.

10). Net Assets (Government-wide Financial Statements)

In government-wide financial statements, the “Invested in Capital Assets, Net of Related Debt” component consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The “Restricted Net Assets” component reports the net assets where constraints have been placed on net asset by external laws, regulations, or legislation. Therefore, they are available for disbursements only for specific purposes such as debt service and capital projects. The “Unrestricted Net Assets” are assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

11). Fund Balances (Governmental Fund Financial Statements)

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual

fund balance. In accordance with GASB 54, the District classified governmental fund balances as follows:

Nonspendable – includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid items and long term receivables.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes the child nutrition program, retirement of long term debt, construction programs and other federal and state grants.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District's Board of Directors.

Assigned – includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. Fund balance is assigned by the District's Board as part of the annual budget resolution.

Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

12). Compensated Absences

a). Sick Leave –

Full-time employees earn sick leave at a rate of 12 days per year up to a maximum of one contract year. Under the provisions of RCW 28A.400.210, sick leave accumulated by district employees is paid at death or retirement at the rate of 25% of each day of accrued leave, limited to 180 accrued days. This statute also provides for an annual buy-back of an amount up to the maximum annual accumulation of twelve days. To qualify for annual sick leave buy-back, the employee must have accumulated an excess of 60 days sick leave as of January 1. Sick leave is reported under long-term liabilities in the *Statement of Net Assets*. For reporting purposes, 25% of the sick leave liability (up to 180 days) for those eligible for retirement is considered accruable. The vesting method in *GASB Statement No. 16* was applied in calculating the sick leave. The amount of accrued sick leave as of August 31, 2012 was \$1,902,368 and reported as a long-term liability in the *government-wide financial statements*.

b). Vacation Leave –

Vacation leave is accrued according to bargaining agreement rules for those

employees eligible. Annual leave accumulated by district employees is paid upon retirement at 100% of per diem value. In addition, annual leave accumulated by classified employees represented by the Public School Employees of Washington bargaining groups is paid upon termination at 100% of per diem value. As of August 31, 2012, vacation leave payable, estimated to be \$883,597 is reported as a long-term liability in the *government-wide financial statements*.

NOTE 2. DEPOSITS AND INVESTMENTS

By law, the King County Treasurer is the ex-officio treasurer for the district. In this capacity, the County Treasurer receives, deposits and transacts investments on the district's behalf.

A. DEPOSITS

At year-end, the carrying amounts of the district's deposits with financial institutions and with the King County Treasurer were respectively \$75,000 and \$44,251,800, the warrants outstanding were \$2,354,041 and the petty cash, change funds and cash on hand totaled \$37,424. Total district cash and cash equivalents were \$42,010,182. Of this amount, \$41,344,947 were in governmental funds and \$665,235 were in fiduciary funds. (See Note 1). In addition to FDIC insurance, the district's deposits are protected by the Washington Public Deposit Protection Commission (a multiple financial institution collateral pool). The provision for guaranteed coverage against loss applies not only to demand deposits, but also to certificates of deposit, money market deposit accounts, and savings deposits as well as accrued interest through the date of repayment. Accordingly, the district's deposits are classified per *GASB Statement No.3* as risk level one, insured or collateralized with securities held by the entity or by its agent in the entity's name.

B. INVESTMENTS

In accordance with state investment laws, the district's governing body has entered into a formal inter-local agreement with the district's *ex officio* treasurer, King County, to have all of its funds not required for immediate expenditure to be invested in the King County Investment Pool (Pool). All non-invested cash is held in this external investment pool administered by King County, Washington and consequently is not subject to categorization. At August 31, 2012, the fair value of the district investment in the pool was \$44,251,800 with an effective duration of 1.24 years. The pool is not registered by the SEC and does not operate in a manner consistent with the SEC's rule 2a7 which would allow it to be treated as a money market fund for basis of presentation.

Oversight of the Investment Pool is provided by the King County Executive Finance Committee (EFC) pursuant to RCW 36.29.020. The EFC consists of the Chair of the County Council, the County Executive, the Chief Budget Officer, and the Director of the Finance and Business Operations Division. All investments are subject to written policies and procedures adopted by the EFC. The EFC reviews Pool performance monthly.

All investments in cash equivalents are stated at fair value. Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between willing parties. Fair value for the King County Investment Pool is provided by the County's safekeeping bank or Bloomberg L.P., a provider of fixed income analytics, market monitors, and security pricing. The net increase in fair value of the district's proportionate share of the King County Investment Pool for 2011-12 was \$168,282. This increase has been recognized and reported against investment income.

Impaired Investments.

As of August 31, 2012, all impaired commercial paper assets have completed enforcement events. The

King County impaired investment pool (Impaired Pool) held one commercial paper asset where the Impaired Pool accepted an exchange offer and is receiving the cash flows from the investment's underlying securities. The Impaired Pool also held the residual investments in four commercial paper assets that were part of completed enforcements events, where the Impaired Pool accepted the cash-out option. The District's share of the impaired investment pool principal is \$338,725 and the District's fair value of these investments is \$152,087.

Interest Rate Risk.

As of August 31, 2012, the Pool's average duration was 1.24 years. As a means of limiting its exposure to rising interest rates, securities purchased in the Pool must have a final maturity, or weighted average life, no longer than five years. While the Pool's market value is calculated on a monthly basis, unrealized gains and losses are not distributed to participants. The Pool distributes earnings monthly using an amortized cost methodology.

Custodial Credit Risk.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. County policy mandates that all security transactions, including repurchase agreements, are settled "delivery versus payment." This means that payment is made simultaneously with the receipt of the security. These securities are delivered to the County's safekeeping bank or its tri-party bank.

Credit Risk.

As of August 31, 2012, the district's investment in the Pool was not rated by a nationally recognized statistical rating organization (NRSRO). In compliance with state statues, Pool policies authorize investments in U.S. Treasury securities, U.S. agency securities and mortgage-backed securities, municipal securities (rated at least "A" by two NRSROs), commercial paper (rated at least the equivalent of "A-1" by two NRSROs), certificates of deposits issued by qualified public depositories, repurchase agreements, and the Local Government Investment Pool managed by the Washington State Treasurer's office.

NOTE 3. INTERFUND RECEIVABLES AND PAYABLES

As of August 31, 2012, short-term interfund receivables and payables in governmental funds that resulted from various interfund transactions in governmental fund financial statements were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 2,458	\$ -
Capital Projects Fund	-	\$ 139
ASB Fund	-	2,319
Total	<u>\$ 2,458</u>	<u>\$ 2,458</u>

The interfund balances are liquidated on a monthly basis. Almost all of the interfund transfers are to reimburse the general fund from other funds for processing payroll and other accounts payable in the general fund. In addition, all funds collected in the district are electronically swept on a daily basis into the general fund bank account at the county treasurer. Funds are then transferred to the appropriate fund as soon as the receipts are reconciled to the daily deposit reports. Total funds transferred from the General Fund were \$5,779,523. Of this amount \$167,958 were transferred to Fiduciary Funds and \$5,611,565 were transferred to other Governmental Funds.

NOTE 4. CHANGES IN CAPITAL ASSETS

Purchases of equipment over \$5,000 and building and depreciable land improvements over \$100,000 are capitalized and depreciated in the government-wide financial statements. Land is excluded from depreciation. The district’s property valuation of buildings and contents for insurance purposes was \$316,891,876 on August 31, 2012. In the opinion of the district’s insurance consultant, the amount is sufficient to adequately fund replacement of the district’s assets.

	Balance 9/1/2011	Additions	Deletions	Balance 8/31/2012
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 21,377,979	\$ 1,612,630	\$ -	\$ 22,990,609
Construction in progress	30,653,154	9,576,537		40,229,691
Total capital assets, not being depreciated	<u>52,031,133</u>	<u>11,189,167</u>	<u>-</u>	<u>63,220,300</u>
Capital assets, being depreciated:				
Buildings and improvements	261,378,650	228,488		261,607,138
Furniture and equipment	18,628,210	171,673	(1,251,833)	17,548,050
Total capital assets, being depreciated	<u>280,006,860</u>	<u>400,161</u>	<u>(1,251,833)</u>	<u>279,155,188</u>
Less: accumulated depreciation				
Buildings and improvements	(88,683,549)	(5,252,001)		(93,935,550)
Furniture and equipment	(12,781,279)	(1,051,035)	1,251,833	(12,580,481)
Total accumulated depreciation	<u>(101,464,828)</u>	<u>(6,303,036)</u>	<u>1,251,833</u>	<u>(106,516,031)</u>
Total capital assets, being depreciated, net	<u>178,542,032</u>	<u>(5,902,875)</u>	<u>-</u>	<u>172,639,157</u>
Governmental activities capital assets, net	<u>\$ 230,573,165</u>	<u>\$ 5,286,292</u>	<u>\$ -</u>	<u>\$ 235,859,457</u>

The increases to buildings and improvements include completed projects transferred from construction in progress less those portions of the projects classified as capitalized and non capitalized equipment. Only those building improvements and depreciable land improvements that are greater than \$100,000 are capitalized. Additions to equipment include only those capital outlay purchases with a unit cost greater than \$5,000 in accordance with the district’s capitalization policy. Decreases to equipment were the result of the sale or trade-in of obsolete equipment.

Depreciation

Depreciation expense was charged to governmental activities as follows:

Regular instruction	\$ 4,032,903
Special instruction	554,455
Vocational instruction	265,624
Compensatory education	465,161
Other instructional programs	63,012
Support services	238,260
Child Nutrition services	12,234
Transportation services	670,992
Extracurricular activities (ASB)	395
Total depreciation expense	
charged to governmental activities	<u>\$ 6,303,036</u>

NOTE 5. CONSTRUCTION IN PROGRESS

Project	Authorized	Expended	Committed
Future School Sites	\$ 12,772,211	\$ 12,659,954	\$ -
Future Middle School Site #5	8,493,737	8,493,737	-
Auburn High School Improvements	8,373,851	4,789,776	3,584,075
Auburn Stadium and Pool Improvements	3,586,359	3,586,359	-
Multi Facility Phase 2 Energy Improvements	2,974,808	2,974,808	-
Hazelwood and Rainier Modernization	2,688,572	2,688,572	-
Gildo Rey & Lakeview ES Improvements	2,252,594	2,252,594	-
Alpac Elementary Improvements	1,449,199	1,449,199	-
Multi-Facility Fiber Optic Project	612,135	612,135	-
Secondary School HVAC Improvements	317,044	317,044	-
Other Improvements	466,496	405,513	60,983
Total Construction in Progress	<u>\$ 43,987,006</u>	<u>\$ 40,229,691</u>	<u>\$ 3,645,058</u>

NOTE 6. PENSIONS

A. GENERAL INFORMATION

Substantially all of the district's full-time and qualifying part-time employees participate in one of the following three contributory, multi-employer, cost-sharing statewide retirement systems managed by the Washington State Department of Retirement Systems (DRS).

The Teachers' Retirement Systems (TRS) includes certificated staff of 295 public school district employers and other public employers. As of June 30, 2011, it includes 75,407 active and inactive vested members.

The Public Employees' Retirement System (PERS) includes non-certificated staff of 295 public school district employers and other public employers. As of June 30, 2011, it includes 182,342 active and inactive vested members.

The School Employees' Retirement System (SERS) includes non-certificated staff of 295 public school district employers. As of June 30, 2011, it includes 62,594 active and inactive vested members.

The employer contribution rates for PERS, TRS and SERS are established each biennium by the state actuary. The employee contribution rate for Plan I is set by statute at six percent and does not vary from year to year. The employer rate is the same for all plans in a system. The method used to determine the contribution requirements are established under Chapter 41.40 and 41.32 Revised Code of Washington (RCW) for PERS and TRS, respectively.

Plan III for TRS was established effective July 1, 1996. This plan is a combination defined benefit, defined contribution plan. Employer contribution rates are established each biennium by the legislature. The state actuary calculates the rates, the economic revenue forecast council adopts the rates and the legislature enacts the rates for the defined benefit portion of the plan. Employee rates are established each biennium by the legislature as well. These rates fund the defined contribution portion of the plan.

SERS was established effective September 1, 2000 and includes a Plan III. This plan is a combination defined benefit, defined contribution plan. The Pension Funding Council establishes employer contribution rates each biennium. The state actuary calculates the rates and the Pension Funding Council adopts the rates, for the defined benefit portion of the plan. The Employee Retirement Benefits Board (ERBB) establishes employee rate choices. These rates fund the defined contribution portion of the plan.

Employee contribution rates for Plan I and Plan II for both systems have been set at rates reflective of amounts that have been appropriated by the state legislature.

The district contribution represents its full liability under both systems, except that future rates may be adjusted to meet the system needs.

B. GENERAL SYSTEM INFORMATION BY BENEFIT PLANS

Certificated public employees are members of TRS. Non-certificated public employees are members of PERS if Plan I or SERS.

Plan I (employment on or before September 30, 1977) members of TRS and PERS are eligible to retire with full benefits after 5 years of credited service and attainment of age 60 or after 25 years of credited service and attainment of age 55 or after 30 years of credited service.

Plan II (employment on or after October 1, 1977) members of TRS and SERS are eligible to retire with full benefits after 5 years of credited service and attainment of age 65 or after 20 years of credited service and attainment of age 55 with the benefit actuarial reduced from age 65.

Plan III (employment on or after July 1, 1996) members of TRS are eligible to retire with full benefits after 10 years of credited service and attainment of age 65 or after 10 years of credited service and attainment of age 55 with benefit actuarially reduced from age 65.

Average final compensation (AFC) of Plan I TRS and PERS members is the greatest average salary during any 2 consecutive years. For Plan II TRS and SERS members, it is the greatest average salary during any 5 consecutive years.

The retirement allowance of Plan I TRS and PERS members is the AFC multiplied by 2 percent per year of service capped at 60 percent. For Plan II TRS and SERS members it is the AFC multiplied by 2 percent per year of service with provision for a cost of living adjustment capped at 3 percent per year. For the defined benefit portion of Plan III TRS and SERS members it is the AFC multiplied by one percent per year of service with provision for a cost of living adjustment.

C. CONTRIBUTIONS

Employee contribution rates as of August 31, 2012:

Plan I TRS	6.00%	Plan I PERS	6.00%
Plan II TRS	4.69%	Plan II SERS	4.09%
Plan III TRS	5.00-15.00%	Plan III SERS	5.00-15.00%

Employer contribution rates as of August 31, 2012:

				9/1/12-3/31/12	4/1-6/30/12	7/1-8/31/12
Plan I TRS	8.04%	Plan I PERS	7.25%	7.08%	7.21%	
Plan II TRS	8.04%	Plan II SERS	7.59%	7.58%	7.58%	
Plan III TRS	8.04%	Plan III SERS	7.59%	7.58%	7.58%	

Under current law the employer must contribute 100 percent of the employer-required contribution. Employer required contributions were as follows:

Plan	2011-12	2010-11	2009-10
Plan I TRS	\$ 224,295	\$ 172,161	\$ 200,629
Plan II TRS	646,951	479,856	466,332
Plan III TRS	4,200,070	3,195,200	3,091,177
Plan I PERS	27,893	24,953	28,727
Plan II SERS	547,304	380,236	372,394
Plan III SERS	1,132,934	833,641	814,260

Historical trend information showing TRS, PERS and SERS progress in accumulating sufficient assets to pay benefits when due is presented in the State of Washington's June 30, 2012, comprehensive annual financial report. Refer to this report for detailed trend information. It is available from:

State of Washington
 Office of Financial Management
 300 Insurance Building
 P. O. Box 43113
 Olympia, Washington 98504-3113

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The state, through the Health Care Authority (HCA), administers an agent multiple-employer other post-employment benefit plan. The Public Employees Benefits Board (PEBB) created within the HCA is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage, including establishment of eligibility criteria for both active and retired employees. Programs include medical, dental, life and long-term disability.

Employers participating in the plan include the state (which includes general government agencies and higher education institutions), 57 of the state's K-12 school and educational service districts (ESDs), and 206 political subdivisions. Additionally, the PEBB plan is available to the retirees of the remaining 244 K-12 school districts and ESDs. The Auburn School District's retirees are eligible to participate in the plan under this arrangement.

Plan Description

Eligibility

District members are eligible for retiree medical benefits after becoming eligible for service retirement pension benefits (either reduced or full pension benefits) under Plan 2 or 3 of TRS or SERS.

- Age 65 with 5 years of service
- Age 55 with 20 years of service

Former members who are entitled to a deferred vested pension benefit are not eligible to receive medical and life insurance benefits after pension benefit commencement. Survivors of covered members who die are eligible for medical benefits.

Medical and Life Benefits

Upon retirement, members are permitted to receive medical benefits. Retirees pay the following month rates for pre-65 Medical coverage for 2012:

Descriptions	Type of Coverage			
	Non-Medicare Retiree	Non-Medicare Retiree & Spouse	Medicare Retiree	Medicare Retiree & Spouse
Group Health Classic	\$ 550.48	\$ 1,095.43	\$ 131.86	\$ 258.19
Group Health Value	501.58	997.63		
Kaiser Permanente Classic	538.18	1,070.83	149.23	292.93
Uniform Medical Plan	531.11	1,056.69	213.87	422.21
Premiera Blue Cross Plan F			99.77	270.17

For 2012, after age 65, retired members receive a subsidy of 50 percent of their monthly medical premiums up to \$150.

Funding Policy

The funding policy is based upon the pay-as-you-go financing requirements.

Annual OPEB Cost and Net OPEB Obligation

The district's annual other post-employment benefits (OPEB) cost is calculated based upon the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that if paid on an on-going basis, is projected to cover the normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period not to exceed thirty years. The following tables show the components of the district's annual OPEB cost for the year, the amount actually contributed to the plan and changes in district's Net OPEB Obligation. (NOO).

Determination of Annual Required Contribution	August 31, 2012
Normal Cost at Year End	\$ 2,291,115
Amortization of UAAL	1,198,094
Interest on Normal Cost and Amortization Payment	157,014
Annual Required Contribution (ARC)	<u>\$ 3,646,223</u>

Determination of Net OPEB Obligation	
Annual Required Contribution	\$ 3,646,223
Interest on Prior year Net OPEB Obligation	42,222
Adjustment to ARC	(312,754)
Annual OPEB Cost	<u>3,375,691</u>
Contributions Made*	(2,009,731)
Increase in Net OPEB Obligation	<u>1,365,960</u>
Net OPEB Obligation - Beginning of Year	<u>8,444,355</u>
Net OPEB Obligation - End of Year*	<u>\$ 9,810,315</u>

*estimated

The District's annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for Fiscal Years 2009 to 2012 were as follows:

OPEB COST			
Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
8/31/2012	\$ 3,375,691	59.93%	\$ 9,810,315
8/31/2011	\$ 3,702,701	21.98%	\$ 8,444,355
8/31/2010	\$ 3,583,915	22.99%	\$ 5,555,388
8/31/2009	\$ 3,554,516	21.36%	\$ 2,795,263

Funded Status and Funding Progress

As of August 31, 2011, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$35.9 million, and actuarial value of assets was \$0, resulting in a UAAL of \$35.9 million.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

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

The health cost trend rates used for the actuarial study are as follows:

Year	Medical Trend	Life Trend
2011-12	7.00%	3.50%
2010-11	7.00%	3.50%
2011-12	6.50%	3.50%
2012-13	6.00%	3.50%
2013-14	5.50%	3.00%

In the August 31, 2011 actuarial valuation, the Projected Unit Credit Actuarial Cost Method was used. The actuarial assumptions used included a 4.5% discount rate, which is based upon the long-term investment yield on the investments that are expected to be used to finance the payments of benefits.

The UAAL is being amortized as a level percentage of pay on an open basis over a period of 30 years. The UAAL as a percentage of the covered payroll of \$89,476,306 is 40%.

For further information on the results the actuarial valuation of the employer provided subsidies associated with state's PEBB plan refer to: http://osa.leg.wa.gov/Actuarial_services/OPEB/OPEB.htm.

NOTE 8. LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2012 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Bonds Payable:					
2004 UTGO Refunding Bonds	\$ 21,270,000	\$ -	\$ 3,625,000	\$ 17,645,000	\$ 1,795,000
2004 UTGO Bonds	13,450,000	-	8,710,000	4,740,000	355,000
2005 UTGO Bonds	20,000,000	-	-	20,000,000	-
2006 UTGO Bonds	500,000	-	500,000	-	-
2010 UTGO Refunding Bonds	35,450,000	-	-	35,450,000	-
2012 UTGO Refunding Bonds	-	9,290,000	-	9,290,000	135,000
Total Bonds Payable	90,670,000	9,290,000	12,835,000	87,125,000	2,285,000
Unamortized Bond Premium	6,084,331	707,004	745,720	6,045,615	685,204
Unamortized Refunding					
Adjustment	(3,248,285)	(1,108,516)	(309,362)	(4,047,439)	(414,936)
Net Bonds Payable	93,506,046	8,888,488	13,271,358	89,123,176	2,555,268
Other Liabilities:					
Compensated Absences	2,449,186	2,785,966	2,449,186	2,785,966	137,033
Net OPEB Obligation	8,444,355	1,365,960	-	9,810,315	-
GRAND TOTAL	\$ 104,399,587	\$ 13,040,414	\$ 15,720,544	\$ 101,719,457	\$ 2,692,301

The debt service fund is established to redeem the outstanding bonds. Compensated Absences payments are liquidated by the general fund.

General Obligation Bonds—The annual requirements to amortize all general obligation bonds outstanding as of August 31, 2012, including interest payments, are listed as follows:

Principal	Interest	Total
\$ 2,285,000	\$ 3,812,290	\$ 6,097,290
6,395,000	3,643,328	10,038,328
2,840,000	3,411,362	6,251,362
5,225,000	3,227,703	8,452,703
5,725,000	2,951,441	8,676,441
36,445,000	10,659,356	47,104,356
28,210,000	2,123,150	30,333,150
\$ 87,125,000	\$ 29,828,630	\$ 116,953,630

General obligation school building bonds payable at August 31, 2012, with their outstanding balances are comprised of the following individual issues:

OUTSTANDING BONDS

\$27,785,000 2004 general obligation refunding bonds, due in installments of \$175,000 to \$4,010,000, beginning December 1, 2004 through December 1, 2016, interest from 2.00% to 5.00%	\$	17,645,000
\$18,000,000 2004 general obligation school building bonds, due in installments of \$125,000 to \$8,300,000, beginning December 1, 2008 through December 1, 2022, interest from 3.25% to 5.375%		4,740,000
\$20,000,000 2005 general obligation school building bonds, due in installments of \$10,000,000 beginning December 1, 2023 through December 1, 2024, interest 5.00%		20,000,000
\$36,025,000 2010 general obligation refunding bonds, due in installments of \$575,000 to \$8,215,000 beginning December 1, 2010 to December 1, 2021, interest 2% to 5.00%		35,450,000
\$9,290,000 2012 general obligation refunding bonds, due in installments of \$135,000 to \$8,210,000 beginning December 1, 2012 to December 1, 2022, interest 2% to 3.00%		9,290,000
	<u>\$</u>	<u>87,125,000</u>

ADVANCE REFUNDING OF 2004 BONDS

On May 7, 2012, the district sold \$9,290,000 unlimited tax general obligation refunding bonds with a true interest cost of 2.13% to advance refund \$8,710,000 of outstanding 2004 series bonds with an average interest rate of 4.97%. The bonds were sold at a premium of \$707,004. Net proceeds of \$9,935,303 were used to purchase United State Treasury State and Local Government Securities (SLGS). Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service on the refunded bonds. As a result, these bonds are considered to be defeased.

The District advance refunded these bonds to reduce its total debt service payments. On May 7, 2012, the total net savings of \$1,429,020 had a net present value of \$1,253,832, or 14.39% of the bonds being refunded.

PRIOR-YEAR DEFEASANCE OF DEBT

In prior years, the district defeased other general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the bonds defeased in the current year as well as those defeased in prior years are not included in the district’s financial statements. At August 31, 2012, \$ 64,210,000 of bonds outstanding are considered defeased.

LEGAL DEBT MARGIN

RCW 39.36.015 and RCW 39.36.020 provide that debt cannot be incurred in excess of the following percentages of the value of the taxable property of the district:

- .375% Without a vote of the people (Non-bonded debt only per RCW 28A51.010)
- 2.5% With a vote of the people
- 5.0% With a vote of the people, if the indebtedness in excess of 2.5% is for capital outlay.

Assessed valuation of taxable property for 2012 tax collection for bond purposes is \$8,146,014,682.

NOTE 9. OPERATING LEASES (NON-CAPITALIZED)

The district is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in the district's Capital Assets. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms of one year or more as of August 31, 2012.

Year Ending August 31,	Copiers
2013	84,682
2014	35,284
Total	\$ 119,966

NOTE 10. RISK MANAGEMENT

A. UNEMPLOYMENT

Auburn School District self-insures for unemployment compensation for all of its employees. Actual employee claims are paid by the State of Washington, Department of Employment Security and then reimbursed by the district. This self-insurance program costs the district less than full participation in the state unemployment compensation program. Since actual claims paid during the fiscal year were less than the anticipated \$331,421 at the end of the prior year, no additional expense was accrued for the fiscal year ended August 31, 2012. In addition, no adjustment was made to reduce the estimated compensation payable of \$208,775 at year end due to the continued requirement to pay claims based on prior year service.

B. INDUSTRIAL INSURANCE

For the fiscal year ended August 31, 2012, Auburn School district made payments totaling \$978,456 to the Workers' Compensation Trust administered by Puget Sound Educational Service district No. 121 for industrial insurance for all district employees. This trust is operated for the benefit of several neighboring school districts in-lieu-of districts making monthly premium payments to the State of Washington for industrial insurance. This practice enables these districts to pay industrial insurance claims as they occur and minimizes the districts' costs for the program.

C. RISK MANAGEMENT POOL

The district is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. In order to obtain general liability insurance at a cost it considered to be economically justifiable, the district joined the Washington Schools Risk Management Pool administered by Puget Sound Educational Service District No. 121. This pool is a public entity risk pool currently operating as a common risk management and insurance program. The district pays an annual premium to the pool for its general insurance coverage. For the fiscal year ended August 31, 2012, the district contributed \$915,424 to the pool.

The agreement for formation of the Washington School Risk Management Pool provides that the pool will be self-sustaining through member premiums and reinsure through commercial companies for claims in excess of \$1 million for each property loss. For each liability loss up to \$100 million per occurrence, the pool will reinsure for claims in excess of \$2 million plus 50% quota share on losses from \$2 million to \$10 million, for a maximum of \$6 million on a \$10 million claim. The Pool maintains an excess insurance contract with Royal Insurance Company for property and machinery and boiler coverage, which provides a \$100 million limit of coverage over the Pool's self-insured retention limit. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Washington School risk Management Pool has published its own financial report for the year ended August 31, 2012. This report can be obtained from:

Washington Schools Risk Management Pool
320 Andover Park East
P. O. Box 88700
Tukwila WA 98138-2700

NOTE 11. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND FINANCIAL STATEMENTS AND GOVERNMENT-WIDE FINANCIAL STATEMENTS

A. RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS

Total fund balances for governmental funds \$ 38,111,714

Total net assets for governmental activities in the statement of net assets differs because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$	22,990,609	
Construction in progress		40,229,691	
Buildings and improvements, net of \$93,935,550 accum. depreciation		167,671,588	
Furniture and equipment, net of \$ 12,580,481 accumulated depreciation		4,967,569	
			235,859,457

Property taxes that are deferred in government funds since not available soon enough to pay for the current period's expenditures. 29,907,877

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is recognized. (822,387)

Bond issuance costs are reported as expenditures in the governmental funds. 252,230

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets. Balances at year-end are:

Bonds payable	\$	(87,125,000)	
Unamortized premiums		(6,045,615)	
Unamortized Refunding Loss		4,047,439	
Compensated Absences		(2,785,966)	
Net OPEB Obligation		(9,810,315)	
			(101,719,457)

Total net assets of governmental activities \$ 201,589,434

**B. RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Net change in fund balances-total governmental funds \$ 1,155,224

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for furniture and equipment and \$100,000 for buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period (Schedule 4A):

Capital outlays	\$	11,473,006	
Depreciation expense		<u>(6,303,036)</u>	\$ 5,169,970

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. The repayment of principal reduces the liability. Governmental funds expend issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. However, interest expense is recognized as it accrues, regardless of when it is due. The effect of these differences in the treatment of general obligation bonds and related items is as follows:

Repayment of bond principal	\$	4,125,000	
Interest and other charges - general obligation bonds		420,805	
Refunding Bond Sale		<u>(61,701)</u>	4,484,104

Property tax revenues received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues increased this year. (2,349,314)

In the statement of activities, certain operating expenses such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. During this year, accrued vacation and sick leave payable increased by (336,780)

Net OPEB Obligation (1,365,960)

Change in net assets of governmental activities \$ 6,757,244

NOTE 12. SUMMARY OF SIGNIFICANT CONTINGENCIES

LITIGATION

Auburn School District is party to various pending legal actions arising from its normal educational activities. It is the opinion of the administration that these will be resolved without any material impact on the operations or the financial position of the district.

CLAIMS AND JUDGMENTS

The district participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Since these have not been completed, the amount, if any, of expenditures that may be disallowed by the granting agencies has not yet been determined. The district believes that disallowed expenditures, if any, will not have a material effect on any of the governmental funds or the overall financial position of the district.

NOTE 13. FUND BALANCE (GOVERNMENTAL FUNDS)

CHANGES IN FUND BALANCES

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund
Total Fund Balance 8/31/11	\$ 11,441,962	\$ 1,375,404	\$ 2,083,365	\$ 21,105,379	\$ 950,380
Nonspendable-Inventories	(205,775)	10,873	-	-	-
Restricted					
Child Nutrition Services	512,245	-	-	-	-
Student Activities	-	46,800	-	-	-
Debt Service	-	-	(39,219)	-	-
Capital Projects	-	-	-	1,699,824	-
Buses	-	-	-	-	704,480
Unassigned	(1,574,004)	-	-	-	-
Total Fund Balance 8/31/12	\$ 10,174,428	\$ 1,433,077	\$ 2,044,146	\$ 22,805,203	\$ 1,654,860

NOTE 14. OTHER DISCLOSURES

KING COUNTY DIRECTORS' ASSOCIATION

The district is a member of the King County Directors' Association (KCDA). KCDA is a purchasing cooperative designed to pool the member districts' purchasing power. This association serves 294 public school districts. District purchases for the calendar year 2011 totaled \$775,069. Auburn School District's equity in KCDA totaled \$247,053 as of December 31, 2011. This equity is the accumulation of the annual assignment of KCDA's operating surplus based upon the percentage derived from KCDA's total sales to the district compared to all other districts applied against paid administrative fees. The district may withdraw inventory at a maximum rate of ten (10) percent per year for a ten year period, or the district may withdraw cash equally over a fifteen-year period.

NOTE 15. SUBSEQUENT EVENTS

On November 6, 2012, Auburn voters approved the \$110 million Auburn High School Modernization

and Reconstruction Bond Issue. Plans call to issue the bonds in three separate sales, one in each of the next three years, to provide construction funds as needed by the construction schedule. Construction will start in 2013 and be completed in phases with the last phase finished in 2016. The project will replace all of the buildings on campus except for the Performing Arts Center and the Auto Shop.

On January 8, 2013, the district sold \$78,855,000 in unlimited tax general obligation and refunding bonds at a premium of \$8,880,051. The new money portion of the bonds of \$59,265,000 par value and \$6,013,364 premium represents the first series of bonds issued under the \$110 million bond authorized as described above. The balance of the issue of \$19,590,000 advance refunded \$20 million of the 2005 bonds. The total net refunding savings of \$3,013,853 had a net present value of \$2,601,687 as of January 22, 2013 the bond sale settlement date. The percentage savings of the refunded bonds was 13.02%. The net interest cost was 2.74%.

Required Supplemental Information

The required supplemental information presents budgetary comparisons (original and final budget), actual inflows and outflows, and balances of general fund and for each major fund.



Auburn School District No. 408
915 4th Street NE, Auburn WA 98002

REQUIRED SUPPLEMENTARY INFORMATION
AUBURN SCHOOL DISTRICT NO. 408
BUDGETARY COMPARISON SCHEDULE*
GENERAL FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Local	\$ 34,465,875	\$ 34,465,875	\$ 33,160,352	\$ (1,305,523)
State	88,508,788	88,508,788	88,627,797	119,009
Federal	11,964,569	11,964,569	13,042,232	1,077,663
Other	951,105	951,105	975,305	24,200
TOTAL REVENUES	135,890,337	135,890,337	135,805,686	(84,651)
EXPENDITURES				
CURRENT				
Regular Instruction	80,312,737	80,312,737	78,528,993	1,783,744
Special Education	15,980,401	15,980,401	16,643,184	(662,783)
Vocational Instruction	6,188,919	6,188,919	5,475,188	713,731
Compensatory Education	7,530,698	7,530,698	7,715,152	(184,454)
Other Instructional Programs	2,069,612	2,069,612	1,006,558	1,063,054
Community Services	1,097,757	1,097,757	902,401	195,356
Support Services	18,001,759	18,001,759	15,959,864	2,041,895
Child Nutrition Services	5,182,911	5,182,911	5,053,335	129,576
Pupil Transportation Services	5,982,408	5,982,408	5,702,805	279,603
CAPITAL OUTLAY				
Equipment	218,494	218,494	102,241	116,253
TOTAL EXPENDITURES	142,565,696	142,565,696	137,089,721	5,475,975
Excess of Revenues Over (Under) Expenditures	(6,675,359)	(6,675,359)	(1,284,035)	5,391,324
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	-	16,501	16,501
Total Other Financing Sources (Uses)	-	-	16,501	16,501
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses	(6,675,359)	(6,675,359)	(1,267,534)	5,407,825
FUND BALANCE-September 1	10,205,640	10,205,640	11,441,962	1,236,322
FUND BALANCE -August 31	\$ 3,530,281	\$ 3,530,281	\$ 10,174,428	\$ 6,644,147

* Prepared on the GAAP Budgetary Basis of Accounting

AUBURN SCHOOL DISTRICT NO. 408
BUDGETARY COMPARISON SCHEDULE*
SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

			ACTUAL	
	ORIGINAL	FINAL	AMOUNT	VARIANCE
REVENUES				
General	\$ 1,641,205	\$ 1,641,205	\$ 681,856	\$ (959,349)
Athletics	202,200	202,200	178,438	(23,762)
Classes	301,070	301,070	132,822	(168,248)
Clubs	1,841,598	1,841,598	1,211,894	(629,704)
Private Monies	96,660	96,660	50,867	(45,793)
Total Revenues	4,082,733	4,082,733	2,255,877	(1,826,856)
EXPENDITURES				
General	1,214,123	1,214,123	490,218	723,905
Athletics	340,494	340,494	283,976	56,518
Classes	346,733	346,733	139,618	207,115
Clubs	2,015,387	2,015,387	1,239,333	776,054
Private Monies	109,647	109,647	45,059	64,588
Total Expenditures	4,026,384	4,026,384	2,198,204	1,828,180
Excess of Revenues Over (Under) Expenditures	56,349	56,349	57,673	1,324
FUND BALANCE - September 1	948,856	948,856	1,375,404	426,548
FUND BALANCE - August 31	\$ 1,005,205	\$ 1,005,205	\$ 1,433,077	\$ 427,872

*Prepared on the GAAP Budgetary Basis of Accounting.

REQUIRED SUPPLEMENTARY INFORMATION
AUBURN SCHOOL DISTRICT NO. 408
ACTUARIAL VALUATION OF POST EMPLOYMENT BENEFITS
OTHER THAN PENSION
SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended August 31	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL As a Percentage of Covered Payroll
2009	August 31, 2009	\$ -	\$ 39,459,390	\$ 39,459,390	0%	\$ 86,000,573	46%
2010	August 31, 2009	\$ -	\$ 39,459,390	\$ 39,459,390	0%	\$ 87,724,325	45%
2011	August 31, 2011	\$ -	\$ 35,942,820	\$ 35,942,820	0%	\$ 78,871,163	46%
2012	August 31, 2011	\$ -	\$ 35,942,820	\$ 35,942,820	0%	\$ 89,476,306	40%

Supplemental Data

Supplemental data includes financial statements and schedules not required by the Governmental Accounting Standard Board (GASB), nor are they a part of the basic financial statements, but are presented for purposes of additional analysis.



Auburn School District No. 408
915 4th Street NE, Auburn WA 98002

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2012 AND 2011

	2011-12	2010-11
ASSETS		
Cash and Cash Equivalents	\$ 11,076,355	\$ 11,442,838
Property Tax Receivable	15,257,600	14,768,999
Accounts Receivable, Net	111,746	279,265
Interest Receivable	4,805	6,740
Due From Other Funds	2,458	2,008
Due From Other Governments	1,116,541	1,531,483
Inventories, at Cost	628,289	834,064
TOTAL ASSETS	\$ 28,197,794	\$ 28,865,397
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	636,352	727,416
Accrued Wages and Benefits Payable	1,629,229	1,860,901
Due To Other Governments	102,819	26,777
Deferred Revenue	15,654,966	14,808,341
TOTAL LIABILITIES	\$ 18,023,366	\$ 17,423,435
Fund Balance:		
Nonspendable	628,289	834,064
Restricted	918,365	406,120
Assigned	2,100,000	2,100,000
Unassigned	6,527,774	8,101,778
TOTAL FUND BALANCE	\$ 10,174,428	\$ 11,441,962
TOTAL LIABILITIES AND FUND BALANCE	\$ 28,197,794	\$ 28,865,397

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2011)

	2011-12			2010-11
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES:				
Source:				
Local Taxes	29,483,879	29,576,925	93,046	\$ 27,635,643
Local Non-Tax	4,981,996	3,583,427	(1,398,569)	3,932,707
State, General Purpose	73,404,042	73,403,321	(721)	70,315,169
State, Special Purpose	15,104,746	15,224,476	119,730	15,264,296
Federal, General Purpose	146,916	133,197	(13,719)	151,548
Federal, Special Purpose	11,817,653	12,909,035	1,091,382	16,983,925
Revenues from other sources	951,105	975,305	24,200	928,943
TOTAL REVENUES	135,890,337	135,805,686	(84,651)	135,212,231
EXPENDITURES				
Current:				
Regular Instruction	80,312,737	78,528,993	1,783,744	73,870,533
Special Instruction	15,980,401	16,643,184	(662,783)	14,735,842
Vocational Instruction	6,188,919	5,475,188	713,731	5,654,358
Compensatory Education	7,530,698	7,715,152	(184,454)	12,900,946
Other Educational Programs	2,069,612	1,006,558	1,063,054	670,850
Community Services	1,097,757	902,401	195,356	794,902
Support Services	18,001,759	15,959,864	2,041,895	15,402,775
Child Nutrition Services	5,182,911	5,053,335	129,576	4,814,488
Pupil Transportation Services	5,982,408	5,702,805	279,603	5,782,168
Capital Outlay - Equipment	218,494	102,241	116,253	129,529
TOTAL EXPENDITURES	142,565,696	137,089,721	5,475,975	134,756,391
Excess of Revenues Over (Under) Expenditures	(6,675,359)	(1,284,035)	5,391,324	455,840
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	16,501	16,501	11,315
Total Other Financing Sources (Uses)	-	16,501	16,501	11,315
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses	(6,675,359)	(1,267,534)	5,407,825	467,155
FUND BALANCE-September 1	10,205,640	11,441,962	1,236,322	10,974,807
FUND BALANCE -August 31	\$ 3,530,281	\$ 10,174,428	\$ 6,644,147	\$ 11,441,962

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2011)

DESCRIPTION	2011-12			2010-11
	BUDGET	ACTUAL	VARIANCE	ACTUAL
LOCAL TAXES				
Local Property Tax	\$ 29,482,801	\$ 29,575,772	\$ 92,971	\$ 27,634,351
Other Taxes	1,078	1,153	75	1,292
TOTAL LOCAL TAXES	29,483,879	29,576,925	93,046	27,635,643
LOCAL NON-TAX				
Tuition & Fees, Unassigned	548,969	404,030	(144,939)	447,970
Summer School Tuition	-	4,930	4,930	8,853
Sales of Goods and Supplies	135,700	174,674	38,974	159,048
Sales of Goods and Supplies, Vocational	656,500	442,099	(214,401)	498,563
Other Community Services	206,850	253,010	46,160	164,934
Food Services Sales	1,438,700	1,251,867	(186,833)	1,308,052
Investment Earnings	75,000	73,837	(1,163)	93,162
Gifts & Donations	1,235,000	389,981	(845,019)	374,179
Fines & Damages	25,500	21,909	(3,591)	19,027
Rental of Property	300,000	363,524	63,524	289,101
Insurance Recoveries	15,000	-	(15,000)	9,843
Local Non-Tax Unassigned	120,000	203,566	83,566	137,882
E-Rate	224,777	-	(224,777)	422,093
TOTAL LOCAL NONTAX	4,981,996	3,583,427	(1,398,569)	3,932,707
STATE FUNDS, GENERAL PURPOSE				
Apportionment	68,178,135	68,090,179	(87,956)	65,406,882
Apportionment-Special Education	2,157,132	2,088,299	(68,833)	2,099,711
Local Effort Assistance	3,068,775	3,224,843	156,068	2,808,576
TOTAL STATE, GENERAL PURPOSE	73,404,042	73,403,321	(721)	70,315,169
STATE FUNDS, SPECIAL PURPOSE				
Special Purpose, Unassigned	2,000	1,560	(440)	1,820
Special Education	8,322,268	8,343,210	20,942	8,383,808
Learning Assistance	1,858,867	1,901,007	42,140	2,064,441
Special Pilot Programs	491,358	372,681	(118,677)	336,533
Transitional Bilingual	1,572,593	1,579,909	7,316	1,612,250
Student Achievement	-	-	-	-
Highly Capable	127,593	130,579	2,986	128,415
School Food Services	130,503	166,934	36,431	132,150
Transportation - Operations	2,599,564	2,710,381	110,817	2,599,564
Other State Agencies, Unassigned	-	18,215	18,215	5,315
TOTAL STATE, SPECIAL PURPOSE	15,104,746	15,224,476	119,730	15,264,296

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2011)

DESCRIPTION	2011-12			2010-11
	BUDGET	ACTUAL	VARIANCE	ACTUAL
FEDERAL FUNDS, GENERAL PURPOSE				
Impact Aid	\$ 106,671	\$ 124,678	\$ 18,007	\$ 111,298
Federal Forests	40,245	8,519	(31,726)	40,250
TOTAL FEDERAL, GENERAL PURPOSE	146,916	133,197	(13,719)	151,548
FEDERAL, SPECIAL PURPOSE				
Federal Stimulus	-	45,555	45,555	5,336,994
Special Purpose, Unassigned	200,000	310,300	110,300	36,415
Special Education, Medicaid Reimbursement	-	127,211	127,211	111,948
Special Education	2,607,453	2,932,027	324,574	2,634,877
Vocational Education	88,271	100,452	12,181	86,374
Disadvantaged, Title I	2,336,728	2,391,057	54,329	1,890,070
Title II	465,876	586,698	120,822	712,468
Reading First	-	45,578	45,578	156,840
Limited English Proficiency	300,000	361,175	61,175	325,826
Other Community Services	481,000	279,271	(201,729)	265,750
School Food Service	3,800,000	4,004,554	204,554	3,746,819
Other Title	140,000	19,090	(120,910)	26,097
Head Start	625,700	612,361	(13,339)	631,780
Indian Education	78,150	77,993	(157)	84,378
Medicaid Administrative Match	350,000	614,597	264,597	435,929
USDA Commodities	344,475	401,116	56,641	250,020
Communities Putting Prevention to Work	-	-	-	251,340
TOTAL FEDERAL, SPECIAL PURPOSE	11,817,653	12,909,035	1,091,382	16,983,925
REVENUES FROM OTHER DISTRICTS				
Transportation	-	113,108	113,108	(833)
Non-High Participation	848,405	857,697	9,292	925,276
TOTAL REVENUES FROM OTHER DISTRICTS	848,405	970,805	122,400	924,443
REVENUES FROM OTHER AGENCIES				
Agency & Association Grants	102,700	4,500	(98,200)	4,500
TOTAL REVENUES FROM OTHER AGENCIES	102,700	4,500	(98,200)	4,500
REVENUES FROM OTHER FINANCING SOURCES				
Sale of Equipment	-	16,501	16,501	11,315
TOTAL REVENUES FROM OTHER FINANCING SOURCES	-	16,501	16,501	11,315
TOTAL REVENUES	\$ 135,890,337	\$ 135,822,187	\$ (68,150)	\$ 135,223,546

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF EXPENDITURES BY PROGRAM
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2011)

PROGRAM	2011-12			2010-11
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REGULAR INSTRUCTION				
Teaching	\$ 58,729,360	\$ 58,228,008	\$501,352	\$ 53,096,636
Extracurricular	3,641,038	2,803,985	837,053	2,866,077
Instructional Supervision	1,396,474	1,329,927	66,547	1,298,384
Learning Resources - Library Services	2,508,044	2,410,752	97,292	2,678,355
Principals	8,631,842	8,731,205	(99,363)	8,498,961
Guidance and Counseling	2,960,977	2,716,901	244,076	3,122,377
Pupil Management and Safety	1,326,637	1,146,076	180,561	1,174,668
Health Services - Psychologists, Nurses	1,118,365	1,162,139	(43,774)	1,135,075
Total Regular Instruction	80,312,737	78,528,993	1,783,744	73,870,533
SPECIAL INSTRUCTION				
Basic State Program	13,396,626	13,740,057	(343,431)	12,118,472
Supplemental Federal Program	2,536,508	2,860,812	(324,304)	2,571,796
Other	47,267	42,315	4,952	45,574
Total Special Instruction	15,980,401	16,643,184	(662,783)	14,735,842
VOCATIONAL INSTRUCTION				
Basic State Program	6,103,000	5,377,295	725,705	5,570,123
Supplemental Federal Program	85,919	97,893	(11,974)	84,235
Total Vocational Instruction	6,188,919	5,475,188	713,731	5,654,358
COMPENSATORY EDUCATION				
Federal Remediation-Title I	2,273,081	2,270,518	2,563	1,843,252
Federal School Improvement ESEA	587,179	590,086	(2,907)	720,994
Federal Stimulus--Title I			-	761,388
Federal Stimulus--State Fiscal Stabilization		45,555	(45,555)	2,892,675
Federal Stimulus--IDEA			-	1,621,767
Federal Stimulus--Other		20,328	(20,328)	854
Reading First		46,935	(46,935)	152,955
State Remediation	1,808,231	1,934,821	(126,590)	2,082,596
Special and Pilot Programs	475,738	375,563	100,175	358,098
Federal Head Start	625,700	608,347	17,353	631,780
Federal Limited English Proficiency	291,828	351,508	(59,680)	319,437
State Transitional Bilingual	1,392,895	1,393,498	(603)	1,432,862
Federal Indian Education	76,046	77,993	(1,947)	82,288
Total Compensatory Education	\$ 7,530,698	\$ 7,715,152	\$ (184,454)	\$ 12,900,946

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF EXPENDITURES BY PROGRAM
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2011)

PROGRAM	2011-12			2010-11
	BUDGET	ACTUAL	VARIANCE	ACTUAL
OTHER EDUCATIONAL PROGRAMS				
Summer School	\$ -	\$ 13,203	\$ (13,203)	\$ -
Highly Capable	126,336	118,297	8,039	122,881
Other Instructional Programs	1,943,276	875,058	1,068,218	547,969
Total Other Educational Programs	2,069,612	1,006,558	1,063,054	670,850
COMMUNITY SERVICES	1,097,757	902,401	195,356	794,902
SUPPORT SERVICES				
Board of Directors	198,172	189,980	8,192	105,776
Superintendent's Office	446,097	403,628	42,469	372,506
Business Services	1,557,467	1,497,233	60,234	1,422,089
Human Resources	1,242,680	1,073,246	169,434	1,090,826
Maintenance	3,515,817	3,031,941	483,876	2,997,914
Custodial	4,365,691	4,281,353	84,338	4,393,302
Utilities	4,525,697	3,484,851	1,040,846	3,181,042
Insurance	801,844	799,954	1,890	786,235
Building Security	263,408	274,268	(10,860)	222,649
Printing	(32,718)	-	(32,718)	-
Information Technology	649,403	544,588	104,815	475,336
Warehouse	457,801	369,528	88,273	352,120
Motor Pool	10,400	9,294	1,106	2,980
Total Support Services	18,001,759	15,959,864	2,041,895	15,402,775
CHILD NUTRITION SERVICES	5,182,911	5,053,335	129,576	4,814,488
PUPIL TRANSPORTATION SERVICES	5,982,408	5,702,805	279,603	5,782,168
CAPITAL OUTLAY-EQUIPMENT	218,494	102,241	116,253	129,529
Total Expenditures	\$ 142,565,696	\$ 137,089,721	\$ 5,475,975	\$ 134,756,391

AUBURN SCHOOL DISTRICT NO. 408
SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2012 AND 2011

	2011-12	2010-11
ASSETS		
Cash and Cash Equivalents	\$ 1,713,081	\$ 1,658,092
Accounts Receivable	11,623	4,000
Accrued Interest Receivable	555	781
TOTAL ASSETS	\$ 1,725,259	\$ 1,662,873
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	24,426	40,859
Due to Other Governments	5,124	5,208
Due To Other Funds	2,319	-
Deferred Revenue	260,313	241,402
Total Liabilities	\$ 292,182	\$ 287,469
Fund Balance:		
Nonspendable	10,873	-
Restricted	1,422,204	1,375,404
Total Fund Balance	\$ 1,433,077	\$ 1,375,404
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,725,259	\$ 1,662,873

AUBURN SCHOOL DISTRICT NO. 408
SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2011)

	2011-12			2010-11
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
General	\$ 1,641,205	\$ 681,856	\$ (959,349)	\$ 612,113
Athletics	202,200	178,438	(23,762)	194,264
Classes	301,070	132,822	(168,248)	137,953
Clubs	1,841,598	1,211,894	(629,704)	1,178,111
Other	96,660	50,867	(45,793)	59,999
Total Revenues	4,082,733	2,255,877	(1,826,856)	2,182,440
EXPENDITURES				
Current:				
General	1,214,123	490,218	723,905	439,015
Athletics	340,494	283,976	56,518	315,532
Classes	346,733	139,618	207,115	136,644
Clubs	2,015,387	1,239,333	776,054	1,310,706
Other	109,647	45,059	64,588	63,339
Total Expenditures	4,026,384	2,198,204	1,828,180	2,265,236
Excess of Revenues Over (Under) Expenditures	56,349	57,673	1,324	(82,796)
FUND BALANCE - September 1	948,856	1,375,404	426,548	1,458,200
FUND BALANCE - August 31	\$ 1,005,205	\$ 1,433,077	\$ 427,872	\$ 1,375,404

**AUBURN SCHOOL DISTRICT NO. 408
DEBT SERVICE FUND (BOND FUND)
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2012 AND 2011**

2011-12	2010-11
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ASSETS

Cash and Cash Equivalent	\$ 2,078,544	\$ 2,118,004
Property Tax Receivable	4,074,275	4,098,858
Accrued Interest Receivable	857	1,176
TOTAL ASSETS	\$ 6,153,676	\$ 6,218,038

LIABILITIES AND FUND BALANCE**Liabilities:**

Accounts Payable	35,255	35,815
Due to Other Governments		-
Deferred Revenue-Taxes Receivable	4,074,275	4,098,858

Total Liabilities

\$ 4,109,530	\$ 4,134,673
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Fund Balance:

Restricted	2,044,146	2,083,365
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Total Fund Balance

\$ 2,044,146	\$ 2,083,365
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TOTAL LIABILITIES AND FUND BALANCE

\$ 6,153,676	\$ 6,218,038
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AUBURN SCHOOL DISTRICT NO. 408
DEBT SERVICE FUND (BOND FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2011)

	2011-12			2010-11
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Local Taxes	\$ 7,927,201	\$ 7,951,648	\$ 24,447	\$ 7,715,850
Local Non-Tax	13,637	22,054	8,417	36,644
Total Revenues	7,940,838	7,973,702	32,864	7,752,494
EXPENDITURES				
DEBT SERVICE				
Principal Retirement	4,125,000	4,125,000	-	4,505,000
Interest on Bonds	4,103,444	3,887,024	216,420	3,946,720
Bond Transfer Fees	4,500	1,683	2,817	-
Underwriter's Fees	-	60,915	(60,915)	-
Total Expenditures	8,232,944	8,074,622	158,322	8,451,720
OTHER FINANCING SOURCES (USES)				
Bond Sales and Refunding Bond Sales	-	9,997,004	9,997,004	40,965,756
Payment to Refunded Bond Escrow Agent	-	(9,935,303)	(9,935,303)	(40,766,778)
Total Other Financing Sources (Uses)	-	61,701	61,701	198,978
Excess of Revenues/Other Financing Sources	(292,106)	(39,219)	252,887	(500,248)
Over (Under) Expenditures And Other Financing Uses				
FUND BALANCE - September 1	2,248,202	2,083,365	(164,837)	2,583,613
FUND BALANCE -August 31	\$ 1,956,096	\$ 2,044,146	\$ 88,050	\$ 2,083,365

AUBURN SCHOOL DISTRICT NO. 408
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2012 AND 2011

	2011-12	2010-11
ASSETS		
Cash and Cash Equivalent	\$ 24,820,785	\$ 23,362,518
Property Tax Receivable	5,902,126	6,896,878
Accrued Interest Receivable	11,125	13,895
Accounts Receivable		409,242
Due From Other Governments	174,347	147,067
TOTAL ASSETS	\$ 30,908,383	\$ 30,829,600
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	2,081,292	2,704,115
Due to Other Governments	113,514	114,530
Due to Other Funds	139	2,008
Deferred Revenue	5,908,235	6,903,568
Total Liabilities	\$ 8,103,180	\$ 9,724,221
Fund Balance:		
Restricted	22,805,203	21,105,379
Total Fund Balance	\$ 22,805,203	\$ 21,105,379
TOTAL LIABILITIES AND FUND BALANCE	\$ 30,908,383	\$ 30,829,600

AUBURN SCHOOL DISTRICT NO. 408
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2011)

	2011-12			2010-11
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Local Taxes	\$ 12,633,674	\$ 12,593,236	\$ (40,438)	\$ 12,823,621
Local Non-Tax	682,991	1,595,382	912,391	1,379,301
State, Special Purpose	1,300,000	1,300,000	-	200,211
TOTAL REVENUES	14,616,665	15,488,618	871,953	14,403,133
EXPENDITURES				
Capital Outlay				
Sites	3,069,394	1,046,024	2,023,370	1,209,843
Building	14,152,412	8,162,730	5,989,682	8,821,885
Equipment	2,427,102	1,501,320	925,782	1,410,157
Energy	4,401,092	3,078,720	1,322,372	431,225
TOTAL EXPENDITURES	24,050,000	13,788,794	10,261,206	11,873,110
Excess Of Revenues Over (Under) Expenditures	(9,433,335)	1,699,824	11,133,159	2,530,023
FUND BALANCE - September 1	23,284,584	21,105,379	(2,179,205)	18,575,356
FUND BALANCE - August 31	\$ 13,851,249	\$ 22,805,203	\$ 8,953,954	\$ 21,105,379

AUBURN SCHOOL DISTRICT NO. 408
TRANSPORTATION VEHICLE FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2012 AND 2011

	2011-12	2010-11
ASSETS		
Cash and Cash Equivalents	\$ 1,656,180	\$ 953,096
Taxes Receivable	1,692	1,481
Due From Other Governments	1,216	-
Interest Receivable	701	549
TOTAL ASSETS	\$ 1,659,789	\$ 955,126
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to Other Governments	3,237	3,265
Deferred Revenue Tax Receivable	1,692	1,481
Total Liabilities	\$ 4,929	\$ 4,746
Fund Balance:		
Restricted	1,654,860	950,380
Total Fund Balance	\$ 1,654,860	\$ 950,380
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,659,789	\$ 955,126

AUBURN SCHOOL DISTRICT NO. 408
TRANSPORTATION VEHICLE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2011)

	2011-12			2010-11
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Local Taxes	\$ -	\$ 249	\$ 249	\$ 256
Local Non-Tax	5,736	11,772	6,036	9,306
State, Special Purpose	520,000	671,093	151,093	530,843
TOTAL REVENUES	525,736	683,114	157,378	540,405
EXPENDITURES				
Capital Outlay:				
Equipment	1,465,000	-	1,465,000	389,344
TOTAL EXPENDITURES	1,465,000	-	1,465,000	389,344
Excess of Revenues (Under) Expenditures	(939,264)	683,114	1,622,378	151,061
OTHER FINANCING SOURCES (USES)				
Sales of Surplus Buses	-	21,366	21,366	12,136
TOTAL OTHER FINANCING SOURCES(USES)	-	21,366	21,366	12,136
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(939,264)	704,480	1,643,744	163,197
FUND BALANCE - September 1	940,716	950,380	9,664	787,183
FUND BALANCE - August 31	\$ 1,452	\$ 1,654,860	\$ 1,653,408	\$ 950,380

**PRIVATE PURPOSE TRUST
COMPARATIVE STATEMENT OF FIDUCIARY NET ASSETS
AUGUST 31, 2012 AND 2011**

	2011-12		2010-11	
ASSETS				
Cash and Cash Equivalents	\$ 574,876	\$	572,850	
Accounts Receivable	2,000		10,905	
Interest Receivable	274		374	
TOTAL ASSETS	\$ 577,150		\$ 584,129	
LIABILITIES				
Accounts Payable	3,624		5,944	
Due to Other Governmental Units	-		-	
Total Liabilities	\$ 3,624		\$ 5,944	
NET ASSETS	\$ 573,526		\$ 578,185	

**AUBURN SCHOOL DISTRICT NO. 408
PRIVATE PURPOSE TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2011)**

	2011-12	2010-11
ADDITIONS:		
Donations	\$ 135,292	\$ 112,165
Investment Earnings:	4,001	4,887
TOTAL ADDITIONS	139,293	117,052
DEDUCTIONS:		
Scholarships and Student Aid	143,952	148,972
CHANGES IN NET ASSETS	(4,659)	(31,920)
NET ASSETS - September 1	578,185	610,105
NET ASSETS - August 31	\$ 573,526	\$ 578,185

AUBURN SCHOOL DISTRICT NO. 408
EMPLOYEE BENEFIT TRUST FUND
COMPARATIVE STATEMENT OF FIDUCIARY NET ASSETS
AUGUST 31, 2012 AND 2011

	2011-12	2010-11
ASSETS		
Cash and Cash Equivalents	\$ 90,359	\$ 136,369
Interest Receivable	31	70
TOTAL ASSETS	\$ 90,390	\$ 136,439
LIABILITIES		
Accounts Payable	5,981	4,480
Due to Other Governments		731
Total Liabilities	\$ 5,981	\$ 5,211
NET ASSETS		
Held In Trust For Employee Benefits	84,409	131,228
Total Net Assets	\$ 84,409	\$ 131,228

**AUBURN SCHOOL DISTRICT NO. 408
EMPLOYEE BENEFIT TRUST FUND
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2011)**

	2011-12		2010-11
ADDITIONS			
Contributions from Plan Members	\$ 155,054	\$	156,440
Investment Earnings	567		1,057
TOTAL ADDITIONS	155,621		157,497
DEDUCTIONS			
Benefit Claims	201,740		200,691
Administrative Expenses	700		700
TOTAL DEDUCTIONS	202,440		201,391
CHANGES IN NET ASSETS	(46,819)		(43,894)
NET ASSETS - September 1	131,228		175,122
NET ASSETS - August 31	\$ 84,409	\$	131,228

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF CHANGES IN LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

	BALANCE 9/1/2011	INCREASES	DECREASES	BALANCE 8/31/2012
Governmental Bonds Payable				
2004 UTGO Refunding Bonds	21,270,000		3,625,000	17,645,000
2004 UTGO Bonds	13,450,000		8,710,000	4,740,000
2005 UTGO Bonds	20,000,000			20,000,000
2006 UTGO Bonds	500,000		500,000	-
2010 UTGO Refunding Bonds	35,450,000			35,450,000
2012 UTGO Refunding Bonds	-	9,290,000	-	9,290,000
Total Bonds Payable	90,670,000	9,290,000	12,835,000	87,125,000
Unamortized Bond Premium/Discount	6,084,331	707,004	745,720	6,045,615
Unamortized Refunding Loss	(3,248,285)	(1,108,516)	(309,362)	(4,047,439)
Net Bonds Payable	93,506,046	8,888,488	13,271,358	89,123,176
Compensated Absences	2,449,186	2,785,966	2,449,186	2,785,966
Net OPEB Obligation	8,444,355	1,365,960		9,810,315
Total Long-Term Debt	\$ 104,399,587	\$ 13,040,414	\$ 15,720,544	\$ 101,719,457

AUBURN SCHOOL DISTRICT NO. 408
OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS DEBT SERVICE
AUGUST 31, 2012

DUE DATE	Original Issue Amount \$27,785,000 2004 Refunding Bond Dated 3/1/2004		Original Issue Amount \$18,000,000 2004 Bond Dated 8/1/2004		Original Issue Amount \$20,000,000 2005 Bond Dated 4/1/2005		Original Issue Amount \$36,025,000 2010 Refunding Bond Dated 9/27/10		Original Issue Amount \$9,290,0008 2012 Refunding Bond 5/7/2012		TOTAL DEBT SERVICE	TOTAL CALENDAR YEAR
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
	12/1/12	1,795,000	404,696	355,000	115,362	-	500,000	-	764,575	135,000		
6/1/13	-	368,796	-	108,263	-	500,000	-	764,575	-	133,356	1,874,990	
12/1/13	4,010,000	368,795	270,000	108,262	-	500,000	-	764,575	100,000	133,356	6,254,988	8,129,978
6/1/14	2,015,000	268,546	-	102,863	-	500,000	-	764,575	-	132,356	3,783,340	
12/1/14	2,015,000	232,024	725,000	102,862	-	500,000	-	764,575	100,000	132,357	4,571,818	8,355,158
6/1/15	-	195,250	-	88,363	-	500,000	-	764,575	-	131,356	1,679,544	
12/1/15	3,920,000	195,250	1,205,000	88,362	-	500,000	-	764,575	100,000	131,356	6,904,543	8,584,087
6/1/16	-	97,250	-	55,979	-	500,000	-	764,575	-	130,356	1,548,160	
12/1/16	3,890,000	97,250	1,735,000	55,978	-	500,000	-	764,575	100,000	130,357	7,273,160	8,821,320
6/1/17	-	-	-	9,350	-	500,000	-	764,575	-	129,356	1,403,281	
12/1/17	-	-	125,000	9,350	-	500,000	6,100,000	764,575	100,000	129,356	7,728,281	9,131,562
6/1/18	-	-	-	6,787	-	500,000	-	660,200	-	128,356	1,295,343	
12/1/18	-	-	150,000	6,788	-	500,000	6,540,000	660,200	100,000	128,357	8,085,345	9,380,688
6/1/19	-	-	-	3,675	-	500,000	-	542,100	-	127,356	1,173,131	
12/1/19	-	-	175,000	3,675	-	500,000	7,020,000	542,100	100,000	127,356	8,468,131	9,641,262
6/1/20	-	-	-	-	-	500,000	-	391,700	-	126,356	1,018,056	
12/1/20	-	-	-	-	-	500,000	7,575,000	391,700	120,000	126,357	8,713,057	9,731,113
6/1/21	-	-	-	-	-	500,000	-	205,375	-	124,556	829,931	
12/1/21	-	-	-	-	-	500,000	8,215,000	205,375	125,000	124,556	9,169,931	9,999,862
6/1/22	-	-	-	-	-	500,000	-	-	-	123,150	623,150	
12/1/22	-	-	-	-	-	500,000	-	-	8,210,000	123,150	8,833,150	9,456,300
6/1/23	-	-	-	-	-	500,000	-	-	-	-	500,000	
12/1/23	-	-	-	-	10,000,000	500,000	-	-	-	-	10,500,000	11,000,000
6/1/24	-	-	-	-	-	250,000	-	-	-	-	250,000	
12/1/24	-	-	-	-	10,000,000	250,000	-	-	-	-	10,250,000	10,500,000
Total	17,645,000	2,227,857	4,740,000	865,919	20,000,000	12,000,000	35,450,000	12,009,075	9,290,000	2,725,779	116,953,630	116,953,630

AUBURN SCHOOL DISTRICT #408
SCHEDULE OF CAPITAL ASSETS BY LOCATION
AUGUST 31, 2012

PROPERTY	LOCATION	LAND	BUILDINGS & CONSTRUCTION			TOTALS
			IMPROVEMENTS	IN PROGRESS	EQUIPMENT	
SENIOR HIGH SCHOOLS						
Auburn	800 4th Street N.E.	\$ 592,951	\$ 26,797,681	\$ -	\$ 1,144,486	\$ 28,535,118
Auburn Riverside	501 Oravetz Rd	4,476,766	31,642,226	-	678,922	36,797,914
Auburn Mountainview	28900 124th Ave SE	4,129,915	48,309,830	-	404,940	52,844,685
West Auburn	401 West Main Street	16,650	3,966,302	-	52,304	4,035,256
Auburn Memorial	801 4th Street N.E.	692,294	6,358,208	-	68,491	7,118,993
MIDDLE SCHOOLS						
Cascade	1015 24th Street NE	121,486	8,495,693	-	140,315	8,757,494
Mt. Baker	620 37th Street SE	2,923,600	13,453,860	-	58,144	16,435,604
Olympic	1825 "K" Street SE	92,532	8,966,021	-	53,274	9,111,827
Rainier	30620 116th Ave. SE	107,681	10,956,929	-	59,621	11,124,231
ELEMENTARY SCHOOLS						
Alpac	310 Milwaukee Blvd N.	83,007	4,788,914	-	145,460	5,017,381
Arthur Jacobsen	29205 132nd St SE	1,006,023	20,188,888	-	149,136	21,344,047
Chinook	3502 Auburn Way S.	32,985	3,513,839	-	70,413	3,617,237
Dick Scobee	1031 14th Street NE	9,731	4,415,674	-	85,091	4,510,496
Evergreen Heights	5602 So 316th	22,223	2,151,056	-	147,593	2,320,872
Gildo Rey	1005 37th Street SE	30,232	2,996,162	-	108,733	3,135,127
Hazelwood	11815 SE 304th Street	230,323	5,614,612	-	97,630	5,942,565
Ilalko	301 Oravetz Pl SE	2,007,182	6,770,908	-	127,452	8,905,542
Lake View	16401 SE 318th	408,702	4,273,651	-	139,284	4,821,637
Lakeland Hills	1020 Evergreen Way SE	3,093,020	14,472,577	-	145,281	17,710,878
Lea Hill	30908 124th Ave. SE	21,620	3,774,005	-	141,903	3,937,528
Pioneer	2301 "M" Street SE	18,082	3,140,723	-	124,740	3,283,545
Terminal Park	1101 "D" Street SE	26,603	2,955,375	-	158,249	3,140,227
Washington	20 "E" Street NE	10,000	6,723,246	-	63,147	6,796,393
ADMINISTRATION. & SERVICE BUILDINGS						
James P. Fugate	915 4th Street NE	88,690	2,452,281	-	1,047,359	3,588,330
Annex	502 4th Street NE	183,646	653,035	-	12,394	849,075
Support Services Center	1302 4th Street SW	1,046,802	4,466,330	-	1,115,983	6,629,115
Transportation	615 15th Street SW	18	4,661,051	-	11,007,705	15,668,774
Transition Assistance	501 3rd St NE	154,552	879,951	-	-	1,034,503
Portables	Miscellaneous	-	2,712,386	-	-	2,712,386
Head Start	2236 K St SE	143,484	224,424	-	-	367,908
Miscellaneous Sites	Miscellaneous	1,219,809	831,300	-	-	2,051,109
Construction in Progress		-	-	40,229,691	-	40,229,691
TOTALS		\$ 22,990,609	\$ 261,607,138	\$ 40,229,691	\$ 17,548,050	\$ 342,375,488

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF CHANGES IN CAPITAL ASSETS
AUGUST 31, 2012

CAPITAL ASSET TYPES	CAPITAL ASSETS			CAPITAL ASSETS
	9/1/2011	ADDITIONS	DELETIONS	
Land	\$ 21,377,979	\$ 1,612,630	\$ -	\$ 22,990,609
Building and Improvements	261,378,650	228,488	-	261,607,138
Equipment	18,628,210	171,673	(1,251,833)	17,548,050
Construction In Progress	30,653,154	9,576,537	-	40,229,691
Totals at Historical Cost	<u>332,037,993</u>	<u>11,589,328</u>	<u>(1,251,833)</u>	<u>342,375,488</u>
Less: Accumulated Depreciation				
Building and Improvements	(88,683,549)	(5,252,001)	-	(93,935,550)
Equipment	(12,781,279)	(1,051,035)	1,251,833	(12,580,481)
Total Accumulated Depreciation	<u>(101,464,828)</u>	<u>(6,303,036)</u>	<u>1,251,833</u>	<u>(106,516,031)</u>
Capital Assets, Net of Accumulated Depreciation	<u>\$ 230,573,165</u>	<u>\$ 5,286,292</u>	<u>\$ -</u>	<u>\$ 235,859,457</u>

**AUBURN SCHOOL DISTRICT
SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
AS OF AUGUST 31, 2012**

FUNCTION & ACTIVITY	LAND	BUILDINGS & IMPROVEMENTS	CONSTRUCTION IN PROGRESS	EQUIPMENT	TOTALS
ADMINISTRATION					
Administration	\$ -	\$ -	\$ -	\$ 120,630	\$ 120,630
General Buildings	272,336	3,105,316	-	-	\$ 3,377,652
Total	\$ 272,336	3,105,316	-	120,630	3,498,282
INSTRUCTION					
Supervision	-	-	-	-	-
Learning Resources	-	-	-	72,792	72,792
Teaching	-	-	-	970,572	970,572
Extracurricular	-	-	-	2,828,714	2,828,714
School Buildings	21,671,453	249,374,441	-	299,109	271,345,003
Total	21,671,453	249,374,441	-	4,171,187	275,217,081
CHILD NUTRITION SERVICES					
Operations	-	-	-	273,215	273,215
Total	-	-	-	273,215	273,215
PUPIL TRANSPORTATION					
Supervision	18	4,661,051	-	120,472	4,781,541
Maintenance	-	-	-	10,595,580	10,595,580
Total	18	4,661,051	-	10,716,052	15,377,121
MAINTENANCE & OPERATIONS					
Supervision	1,046,802	4,466,330	-	41,488	5,554,620
Ground Care	-	-	-	350,667	350,667
Operations of Plant	-	-	-	419,450	419,450
Maintenance	-	-	-	512,932	512,932
Total	1,046,802	4,466,330	-	1,324,537	6,837,669
OTHER SERVICES					
Information Tech	-	-	-	778,106	778,106
Printing & Graphics	-	-	-	14,032	14,032
Warehousing	-	-	-	150,291	150,291
Total	-	-	-	942,429	942,429
CONSTRUCTION					
IN PROGRESS	-	-	40,229,691	-	40,229,691
TOTALS	\$ 22,990,609	\$ 261,607,138	\$ 40,229,691	\$ 17,548,050	\$ 342,375,488

AUBURN SCHOOL DISTRICT NO. 408
SUMMARY AMORTIZATION SCHEDULE FOR ALL OUTSTANDING BONDS
BOND PREMIUM, DISCOUNT, REFUNDING ADJUSTMENT
FOR THE YEAR ENDED AUGUST 31, 2012

Date	Payment	Interest Expense	Premium/ Discount Amortized	Unamortized Premium/ Discount	Principal	Refunding Adjustment Amortized	Unamortized Refunding Adjustment	Bond Carrying Value
03/02/04	\$ -	\$ -	\$ -	\$ 1,464,510	\$ -	\$ -	\$ 1,656,581	\$ 27,592,929
06/01/04	278,235	221,908	56,327	1,408,183	-	138,049	1,518,532	27,674,651
12/01/04	1,121,471	500,144	56,327	1,351,856	565,000	138,048	1,380,484	27,191,372
06/01/05	725,820	494,493	56,327	2,010,329	175,000	138,049	1,242,435	47,812,894
12/01/05	1,215,738	1,141,083	74,655	1,935,674	-	138,048	1,104,387	47,876,287
06/01/06	1,224,070	974,415	74,655	1,861,019	175,000	138,049	966,338	47,764,681
12/01/06	1,906,052	1,152,950	103,102	2,023,801	650,000	138,048	828,290	60,065,511
06/01/07	1,510,882	1,227,780	103,102	1,920,699	180,000	138,048	690,242	59,920,457
12/01/07	1,329,083	1,225,980	103,103	1,817,596	-	138,049	552,193	59,955,403
06/01/08	1,514,083	1,225,980	103,103	1,714,493	185,000	138,048	414,145	59,805,348
12/01/08	6,827,002	1,223,899	103,103	1,611,390	5,500,000	138,048	276,097	54,340,293
06/01/09	1,379,503	1,086,400	103,103	1,508,287	190,000	138,049	138,048	54,185,239
12/01/09	6,687,127	1,084,024	103,103	1,405,184	5,500,000	138,048	-	48,720,184
06/01/10	2,678,376	966,409	96,967	1,308,217	1,615,000	-	-	47,008,217
12/01/10	3,988,502	1,001,719	311,783	5,937,190	2,675,000	154,681	3,402,966	88,390,156
06/01/11	3,598,934	1,468,400	300,534	5,636,656	1,830,000	154,681	3,248,285	86,104,941
12/01/11	4,069,197	1,438,663	300,534	5,336,122	2,330,000	154,681	3,093,604	83,319,726
06/01/12	3,495,684	1,411,213	289,471	6,045,615	1,795,000	154,681	4,047,439	97,218,054
12/01/12	4,275,432	1,647,830	342,602	5,703,013	2,285,000	207,468	3,839,971	94,382,984
06/01/13	1,928,122	1,585,520	342,602	5,360,411	-	207,468	3,632,503	93,832,914
12/01/13	6,308,120	1,585,518	342,602	5,017,809	4,380,000	207,468	3,425,035	88,902,844
06/01/14	3,836,472	1,478,870	342,602	4,675,207	2,015,000	207,467	3,217,568	86,337,775
12/01/14	4,624,948	1,442,346	342,602	4,332,605	2,840,000	207,467	3,010,101	82,947,706
06/01/15	1,732,675	1,390,073	342,602	3,990,003	-	207,467	2,802,634	82,397,637
12/01/15	6,957,674	1,390,072	342,602	3,647,401	5,225,000	207,467	2,595,167	76,622,568
06/01/16	1,601,289	1,258,688	342,601	3,304,800	-	207,467	2,387,700	76,072,500
12/01/16	7,326,289	1,258,680	342,609	2,962,191	5,725,000	207,467	2,180,233	69,797,424
06/01/17	1,456,411	1,170,137	286,274	2,675,917	-	207,467	1,972,766	69,303,683
12/01/17	7,781,411	1,170,137	286,274	2,389,643	6,325,000	207,466	1,765,300	62,484,943
06/01/18	1,348,475	1,062,201	286,274	2,103,369	-	207,466	1,557,834	61,991,203
12/01/18	8,138,474	1,062,200	286,274	1,817,095	6,790,000	207,466	1,350,368	54,707,463
06/01/19	1,226,262	939,988	286,274	1,530,821	-	207,466	1,142,902	54,213,723
12/01/19	8,521,261	939,987	286,274	1,244,547	7,295,000	207,466	935,436	46,424,983
06/01/20	1,051,722	784,912	266,810	977,737	-	207,466	727,970	45,950,707
12/01/20	8,746,722	784,912	266,810	710,927	7,695,000	207,466	520,504	37,781,431
06/01/21	863,598	596,788	266,810	444,117	-	207,466	313,038	37,307,155
12/01/21	9,203,597	596,788	266,809	177,308	8,340,000	207,466	105,572	28,492,880
06/01/22	656,818	604,824	51,994	125,314	-	52,786	52,786	28,388,100
12/01/22	8,866,818	604,824	51,994	73,320	8,210,000	52,786	-	20,073,320
06/01/23	500,000	481,672	18,328	54,992	-	-	-	20,054,992
12/01/23	10,500,000	481,672	18,328	36,664	10,000,000	-	-	10,036,664
06/01/24	250,000	231,668	18,332	18,332	-	-	-	10,018,332
12/01/24	10,250,000	231,668	18,332	-	10,000,000	-	-	-
	<u>\$ 161,502,349</u>	<u>\$ 42,627,435</u>	<u>\$ 8,384,914</u>		<u>\$ 110,490,000</u>	<u>\$ 6,322,744</u>		

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM AND REFUNDING ADJUSTMENT
2004 BONDS
FOR THE YEAR ENDED AUGUST 31, 2012

2004 Unlimited Tax General Obligation Refunding Bonds (Refunded 1997 Bonds)								
Date	Payment	Interest Expense	Premium Amortized	Unamortized Premium	Principal	Refunding Adjustment Amortized	Unamortized Refunding Adjustment	Bond Carrying Value
03/02/04	\$ -	\$ -	\$ -	\$ 1,464,510	\$ -	\$ -	\$ 1,656,581	\$ 27,592,929
06/01/04	278,235	221,908	56,327	1,408,183	-	138,049	1,518,532	27,674,651
12/01/04	1,121,471	500,144	56,327	1,351,856	565,000	138,048	1,380,484	27,191,372
06/01/05	725,820	494,493	56,327	1,295,529	175,000	138,049	1,242,435	27,098,094
12/01/05	549,071	492,744	56,327	1,239,202	-	138,048	1,104,387	27,179,815
06/01/06	724,070	492,743	56,327	1,182,875	175,000	138,049	966,338	27,086,537
12/01/06	547,321	490,994	56,327	1,126,548	-	138,048	828,290	27,168,258
06/01/07	727,320	490,993	56,327	1,070,221	180,000	138,048	690,242	27,069,979
12/01/07	545,521	489,194	56,327	1,013,894	-	138,049	552,193	27,151,701
06/01/08	730,521	489,194	56,327	957,567	185,000	138,048	414,145	27,048,422
12/01/08	543,439	487,112	56,327	901,240	-	138,048	276,097	27,130,143
06/01/09	733,440	487,113	56,327	844,913	190,000	138,049	138,048	27,021,865
12/01/09	541,064	484,737	56,327	788,586	-	138,048	-	27,103,586
06/01/10	2,156,064	484,737	56,327	732,259	1,615,000	-	-	25,432,259
12/01/10	2,117,296	460,969	56,327	675,932	1,600,000	-	-	23,775,932
06/01/11	2,323,295	436,968	56,327	619,605	1,830,000	-	-	21,889,605
12/01/11	2,293,558	407,231	56,327	563,278	1,830,000	-	-	20,003,278
06/01/12	2,231,108	379,781	56,327	506,951	1,795,000	-	-	18,151,951
12/01/12	2,199,696	348,369	56,327	450,624	1,795,000	-	-	16,300,624
06/01/13	368,796	312,469	56,327	394,297	-	-	-	16,244,297
12/01/13	4,378,795	312,468	56,327	337,970	4,010,000	-	-	12,177,970
06/01/14	2,283,546	212,219	56,327	281,643	2,015,000	-	-	10,106,643
12/01/14	2,247,024	175,697	56,327	225,316	2,015,000	-	-	8,035,316
06/01/15	195,250	138,923	56,327	168,989	-	-	-	7,978,989
12/01/15	4,115,250	138,923	56,327	112,662	3,920,000	-	-	4,002,662
06/01/16	97,250	40,923	56,327	56,335	-	-	-	3,946,335
12/01/16	3,987,250	40,915	56,335	-	3,890,000	-	-	-
	<u>\$ 38,761,471</u>	<u>\$ 9,511,961</u>	<u>\$ 1,464,510</u>		<u>\$ 27,785,000</u>	<u>\$ 1,656,581</u>		

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM
2005 BONDS
FOR THE YEAR ENDED AUGUST 31, 2012

2005 Unlimited Tax General Obligation Bonds						
Date	Payment	Interest Expense	Premium Amortized	Unamortized Premium	Principal	Bond Carrying Value
4/13/2005	\$ -	\$ -	\$ -	\$ 714,800	\$ -	\$ 20,714,800
12/1/2005	666,667	648,339	18,328	696,472	-	20,696,472
6/1/2006	500,000	481,672	18,328	678,144	-	20,678,144
12/1/2006	500,000	481,672	18,328	659,816	-	20,659,816
6/1/2007	500,000	481,672	18,328	641,488	-	20,641,488
12/1/2007	500,000	481,672	18,328	623,160	-	20,623,160
6/1/2008	500,000	481,672	18,328	604,832	-	20,604,832
12/1/2008	500,000	481,672	18,328	586,504	-	20,586,504
6/1/2009	500,000	481,672	18,328	568,176	-	20,568,176
12/1/2009	500,000	481,672	18,328	549,848	-	20,549,848
6/1/2010	500,000	481,672	18,328	531,520	-	20,531,520
12/1/2010	500,000	481,672	18,328	513,192	-	20,513,192
6/1/2011	500,000	481,672	18,328	494,864	-	20,494,864
12/1/2011	500,000	481,672	18,328	476,536	-	20,476,536
6/1/2012	500,000	481,672	18,328	458,208	-	20,458,208
12/1/2012	500,000	481,672	18,328	439,880	-	20,439,880
6/1/2013	500,000	481,672	18,328	421,552	-	20,421,552
12/1/2013	500,000	481,672	18,328	403,224	-	20,403,224
6/1/2014	500,000	481,672	18,328	384,896	-	20,384,896
12/1/2014	500,000	481,672	18,328	366,568	-	20,366,568
6/1/2015	500,000	481,672	18,328	348,240	-	20,348,240
12/1/2015	500,000	481,672	18,328	329,912	-	20,329,912
6/1/2016	500,000	481,672	18,328	311,584	-	20,311,584
12/1/2016	500,000	481,672	18,328	293,256	-	20,293,256
6/1/2017	500,000	481,672	18,328	274,928	-	20,274,928
12/1/2017	500,000	481,672	18,328	256,600	-	20,256,600
6/1/2018	500,000	481,672	18,328	238,272	-	20,238,272
12/1/2018	500,000	481,672	18,328	219,944	-	20,219,944
6/1/2019	500,000	481,672	18,328	201,616	-	20,201,616
12/1/2019	500,000	481,672	18,328	183,288	-	20,183,288
6/1/2020	500,000	481,672	18,328	164,960	-	20,164,960
12/1/2020	500,000	481,672	18,328	146,632	-	20,146,632
6/1/2021	500,000	481,672	18,328	128,304	-	20,128,304
12/1/2021	500,000	481,672	18,328	109,976	-	20,109,976
6/1/2022	500,000	481,672	18,328	91,648	-	20,091,648
12/1/2022	500,000	481,672	18,328	73,320	-	20,073,320
6/1/2023	500,000	481,672	18,328	54,992	-	20,054,992
12/1/2023	10,500,000	481,672	18,328	36,664	10,000,000	10,036,664
6/1/2024	250,000	231,668	18,332	18,332	-	10,018,332
12/1/2024	10,250,000	231,668	18,332	-	10,000,000	-
	<u>\$ 39,166,667</u>	<u>\$ 18,451,867</u>	<u>\$ 714,800</u>		<u>\$ 20,000,000</u>	

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM
2006 BONDS
FOR THE YEAR ENDED AUGUST 31, 2012

2006 Unlimited Tax General Obligation Bonds						
Date	Payment	Interest Expense	Premium Amortized	Unamortized Premium	Principal	Bond Carrying Value
7/25/2006	\$ -	\$ -	\$ -	\$ 265,884	\$ -	\$ 12,915,884
12/1/2006	858,731	180,284	28,447	237,437	650,000	12,237,437
6/1/2007	283,562	255,115	28,447	208,990	-	12,208,990
12/1/2007	283,562	255,114	28,448	180,542	-	12,180,542
6/1/2008	283,562	255,114	28,448	152,094	-	12,152,094
12/1/2008	5,783,563	255,115	28,448	123,646	5,500,000	6,623,646
6/1/2009	146,063	117,615	28,448	95,198	-	6,595,198
12/1/2009	5,646,063	117,615	28,448	66,750	5,500,000	1,066,750
6/1/2010	22,312	-	22,312	44,438	-	1,044,438
12/1/2010	522,312	-	22,312	22,126	500,000	522,126
6/1/2011	11,063	-	11,063	11,063	-	511,063
12/1/2011	511,063	-	11,063	-	500,000	-
	<u>\$ 14,351,856</u>	<u>\$ 1,435,972</u>	<u>\$ 265,884</u>		<u>\$ 12,650,000</u>	

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM AND REFUNDING ADJUSTMENT
2010 BONDS
FOR THE YEAR ENDED AUGUST 31, 2012

2010 Unlimited Tax General Obligation Bonds								
Date	Payment	Interest Expense	Premium Amortized	Unamortized Premium	Principal	Refunding Adjustment Amortized	Unamortized Refunding Adjustment	Bond Carrying Value
9/27/2010	\$ -	\$ -	\$ -	\$ 4,940,756	\$ -	\$ -	\$ 3,557,647	\$ 44,523,403
12/1/2010	848,893.33	59,077.83	214,815.50	4,725,940	575,000	154,681	3,402,966	43,578,906
6/1/2011	764,575.00	549,759.50	214,815.50	4,511,125	-	154,681	3,248,285	43,209,410
12/1/2011	764,575.00	549,759.50	214,815.50	4,296,309	-	154,681	3,093,604	42,839,913
6/1/2012	764,575.00	549,759.50	214,815.50	4,081,494	-	154,681	2,938,923	42,470,417
12/1/2012	764,575.00	549,759.50	214,815.50	3,866,678	-	154,681	2,784,242	42,100,920
6/1/2013	764,575.00	549,759.50	214,815.50	3,651,863	-	154,681	2,629,561	41,731,424
12/1/2013	764,575.00	549,759.50	214,815.50	3,437,047	-	154,681	2,474,880	41,361,927
6/1/2014	764,575.00	549,759.50	214,815.50	3,222,232	-	154,680	2,320,200	40,992,432
12/1/2014	764,575.00	549,759.50	214,815.50	3,007,416	-	154,680	2,165,520	40,622,936
6/1/2015	764,575.00	549,759.50	214,815.50	2,792,601	-	154,680	2,010,840	40,253,441
12/1/2015	764,575.00	549,759.50	214,815.50	2,577,785	-	154,680	1,856,160	39,883,945
6/1/2016	764,575.00	549,759.50	214,815.50	2,362,970	-	154,680	1,701,480	39,514,450
12/1/2016	764,575.00	549,759.50	214,815.50	2,148,154	-	154,680	1,546,800	39,144,954
6/1/2017	764,575.00	549,759.50	214,815.50	1,933,339	-	154,680	1,392,120	38,775,459
12/1/2017	6,864,575.00	549,759.50	214,815.50	1,718,523	6,100,000	154,680	1,237,440	32,305,963
6/1/2018	660,200.00	445,384.50	214,815.50	1,503,708	-	154,680	1,082,760	31,936,468
12/1/2018	7,200,200.00	445,384.50	214,815.50	1,288,892	6,540,000	154,680	928,080	25,026,972
6/1/2019	542,100.00	327,284.50	214,815.50	1,074,077	-	154,680	773,400	24,657,477
12/1/2019	7,562,100.00	327,284.50	214,815.50	859,261	7,020,000	154,680	618,720	17,267,981
6/1/2020	391,700.00	176,884.50	214,815.50	644,446	-	154,680	464,040	16,898,486
12/1/2020	7,966,700.00	176,884.50	214,815.50	429,630	7,575,000	154,680	309,360	8,953,990
6/1/2021	205,375.00	(9,440.00)	214,815.00	214,815	-	154,680	154,680	8,584,495
12/1/2021	8,420,375.00	(9,440.50)	214,815.50	-	8,215,000	154,680	-	-
	<u>\$ 50,601,693.33</u>	<u>\$ 9,635,937.33</u>	<u>\$ 4,940,756.00</u>		<u>\$ 36,025,000</u>	<u>\$ 3,557,647</u>		

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM
2012 BONDS
FOR THE YEAR ENDED AUGUST 31, 2012

Date	2012 Unlimited Tax General Obligation Bond Issue (Refunded 2004 Bonds)					
	Payment	Interest Expense	Premium Amortized	Unamortized Premium	Principal	Bond Carrying Value
06/01/12	\$ -	\$ -	\$ -	\$ 291,960	\$ -	\$ 5,031,960
12/01/12	489,826	115,362	19,464	272,496	355,000	4,657,496
06/01/13	127,727	108,263	19,464	253,032	-	4,638,032
12/01/13	397,726	108,262	19,464	233,568	270,000	4,348,568
06/01/14	122,327	102,863	19,464	214,104	-	4,329,104
12/01/14	847,326	102,862	19,464	194,640	725,000	3,584,640
06/01/15	107,827	88,363	19,464	175,176	-	3,565,176
12/01/15	1,312,826	88,362	19,464	155,712	1,205,000	2,340,712
06/01/16	75,442	55,978	19,464	136,248	-	2,321,248
12/01/16	1,810,442	55,978	19,464	116,784	1,735,000	566,784
06/01/17	28,814	9,350	19,464	97,320	-	547,320
12/01/17	153,814	9,350	19,464	77,856	125,000	402,856
06/01/18	26,252	6,788	19,464	58,392	-	383,392
12/01/18	176,252	6,788	19,464	38,928	150,000	213,928
06/01/19	23,139	3,675	19,464	19,464	-	194,464
12/01/19	198,139	3,675	19,464	-	175,000	-
	<u>\$ 5,897,879</u>	<u>\$ 865,919</u>	<u>\$ 291,960</u>		<u>\$ 4,740,000</u>	
	Prior Payments		311,424		4,550,000	
	Refunded May 2012		116,787		8,710,000	
			<u>\$ 720,171</u>		<u>\$ 18,000,000</u>	

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM AND REFUNDING ADJUSTMENT
2012 BONDS
FOR THE YEAR ENDED AUGUST 31, 2012

Date	2012 Unlimited Tax General Obligation Refunding Bonds							
	Payment	Interest Expense	Premium Amortized	Unamortized Premium	Principal	Refunding Adjustment Amortized	Unamortized Refunding Adjustment	Bond Carrying Value
06/01/12				707,004	-		1,108,516	11,105,520
12/01/12	321,334	152,667	33,667	673,337	135,000	52,787	1,055,729	10,884,066
06/01/13	167,023	133,356	33,667	639,670	-	52,787	1,002,942	10,797,612
12/01/13	267,023	133,356	33,667	606,003	100,000	52,787	950,155	10,611,158
06/01/14	166,023	132,356	33,667	572,336	-	52,787	897,368	10,524,704
12/01/14	266,023	132,356	33,667	538,669	100,000	52,787	844,581	10,338,250
06/01/15	165,023	131,356	33,667	505,002		52,787	791,794	10,251,796
12/01/15	265,023	131,356	33,667	471,335	100,000	52,787	739,007	10,065,342
06/01/16	164,023	130,356	33,667	437,668	-	52,787	686,220	9,978,888
12/01/16	264,023	130,356	33,667	404,001	100,000	52,787	633,433	9,792,434
06/01/17	163,023	129,356	33,667	370,334		52,787	580,646	9,705,980
12/01/17	263,023	129,356	33,667	336,667	100,000	52,786	527,860	9,519,527
06/01/18	162,023	128,356	33,667	303,000	-	52,786	475,074	9,433,074
12/01/18	262,023	128,356	33,667	269,333	100,000	52,786	422,288	9,246,621
06/01/19	161,023	127,356	33,667	235,666		52,786	369,502	9,160,168
12/01/19	261,023	127,356	33,667	201,999	100,000	52,786	316,716	8,973,715
06/01/20	160,023	126,356	33,667	168,332	-	52,786	263,930	8,887,262
12/01/20	280,023	126,356	33,667	134,665	120,000	52,786	211,144	8,680,809
06/01/21	158,223	124,556	33,667	100,998	-	52,786	158,358	8,594,356
12/01/21	283,222	124,556	33,666	67,332	125,000	52,786	105,572	8,382,904
06/01/22	156,818	123,152	33,666	33,666	-	52,786	52,786	8,296,452
12/01/22	8,366,818	123,152	33,666	-	8,210,000	52,786	-	-
	<u>\$12,722,783</u>	<u>\$ 2,725,779</u>	<u>\$ 707,004</u>		<u>\$ 9,290,000</u>	<u>\$ 1,108,516</u>		

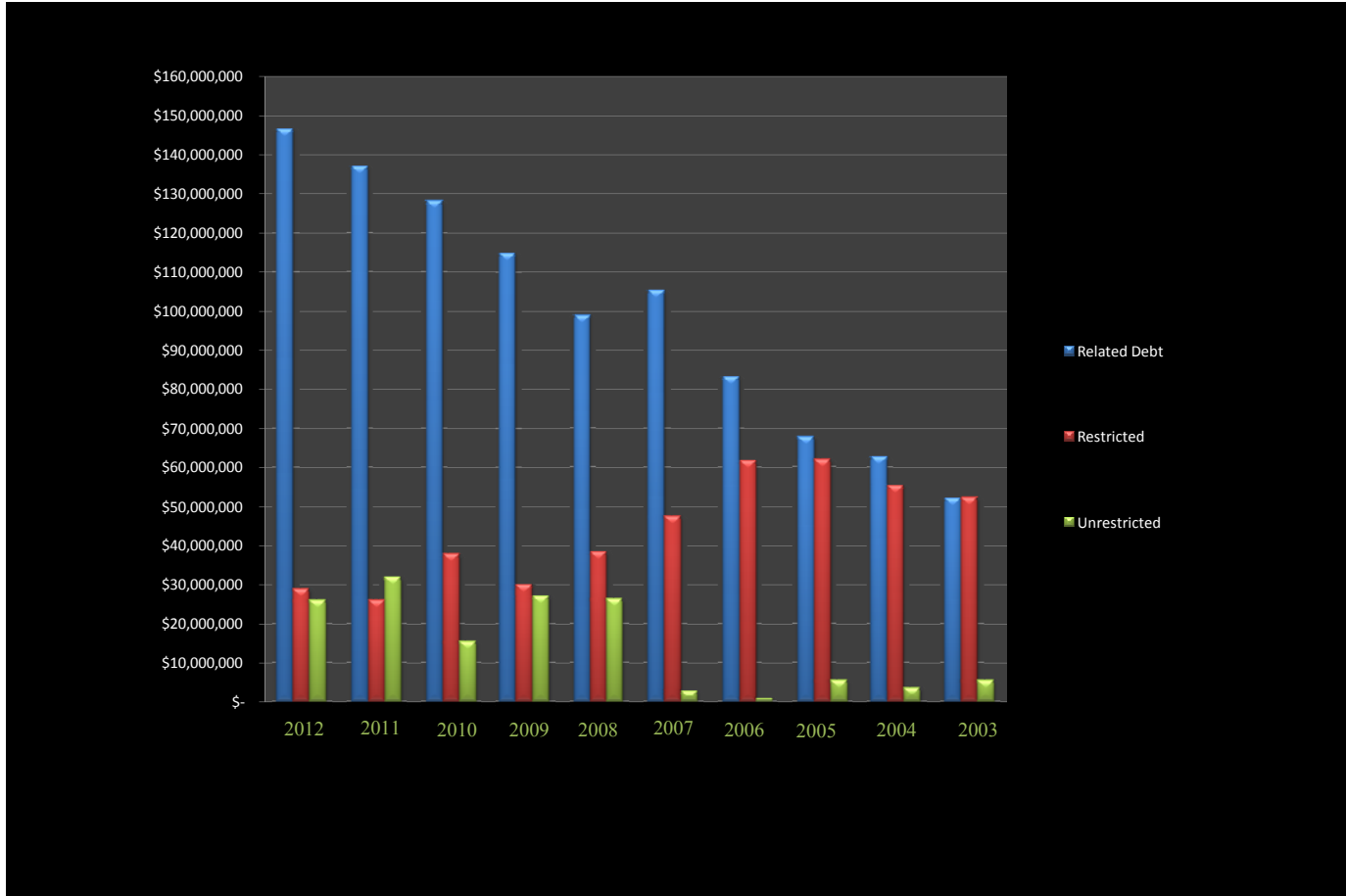
Statistical Section

Presentation included in the Statistical Section of the Comprehensive Annual Financial Report (CAFR) provide users detailed information as a context for understanding what the information in the financial statements, note disclosures and the supporting schedules say about the school district's overall financial health. The section is divided into five categories based on the following:

- A. Financial Trends:** These schedules contain trend information to help the reader understand how the school district's financial performance and well-being have changed over time.
1. Net Assets by Component, Last Ten Fiscal Years
 2. Changes in Net Assets, Last Ten Fiscal Years
 3. Fund Balances, Governmental Funds, Last Ten Fiscal Years
 4. Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years
 5. Revenues by Source-fund Level, Last Ten Fiscal Years
 6. General Expenditures by Function, Last Ten Fiscal Years
 7. Interest Earnings on Investments, Last Ten Fiscal Years
- B. Revenue Capacity:** These schedules present information to help the reader assess the school district's most significant local revenue source—property tax.
8. Property Tax Levies and Collections, Last Ten Calendar Years
 9. Assessed Value of Taxable Property and Property Tax Rates For All Overlapping Taxing Authorities
- C. Debt Capacity:** These schedules present information to help the reader assess the affordability of the school district's current levels of outstanding debt and the district's ability to issue additional debt in the future.
10. Ratio of Annual Debt Service for General Bonded Debt to Total General Fund Expenditures, Last Ten Fiscal Years
 11. Ratio of Net General Bonded Debt Per Capita
Ratio of Net General Bonded Debt to Personal Income, Last Ten Fiscal Years
 12. Statement of Direct and Overlapping Debt
 13. Computation of Legal Debt Margin
 14. Legal Debt Margin Information, Last Ten Fiscal Years
- D. Demographic and Economic Information:** These schedules offer demographic and economic indicators to help the reader understand the environment within which the school district's financial activities take place.
15. Demographic and Economic Statistics, Last Ten Calendar Years
 16. Principal Taxpayers, Current Year and Ten Years Ago
 17. Property Value and Construction, Last Ten Years
 18. Major Employer, Current Year and Ten Years Ago
- E. Operating Information:** These schedules contain employment and operating data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.
19. Full Time Equivalent District Employees by Program, Last Ten Fiscal Years
 20. Operating Statistics, Last Ten Fiscal Years
 21. Capital Assets by Function, Last Ten Fiscal Years
 22. Schedule of School Buildings Grade Span, Enrollment, Age and Size
 23. Miscellaneous Statistics



**AUBURN SCHOOL DISTRICT NO. 408
NET ASSETS BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)**



	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities										
Invested in Capital Assets, Net of										
Related Debt	\$ 146,736,283	\$ 137,067,119	\$ 128,179,811	\$ 114,931,374	\$ 98,712,271	\$ 105,254,392	\$ 83,162,020	\$ 67,609,709	\$ 62,621,344	\$ 52,051,597
Restricted	28,855,651	25,920,648	37,758,251	30,018,004	38,261,173	47,444,149	61,755,434	61,829,954	55,324,350	52,293,388
Unrestricted	25,997,502	31,844,423	15,408,211	27,072,193	26,238,913	2,767,942	792,348	5,449,929	3,510,956	5,449,929
Total Governmental Activities Net Assets	\$ 201,589,436	\$ 194,832,190	\$ 181,346,273	\$ 172,021,571	\$ 163,212,357	\$ 155,466,483	\$ 145,709,802	\$ 134,889,592	\$ 121,456,650	\$ 109,794,914

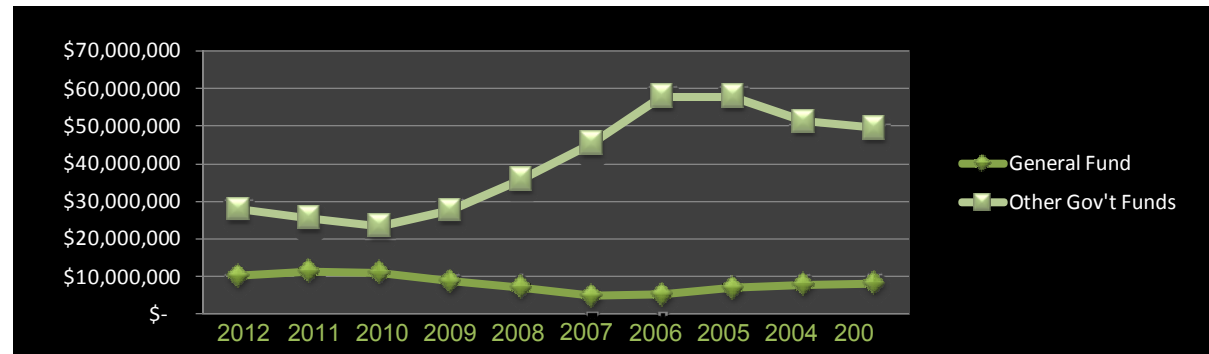
Note 1: Source of data is the Auburn School District Financial Statements

AUBURN SCHOOL DISTRICT NO. 408
CHANGES IN NET ASSETS
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
EXPENSES										
Governmental Activities										
Regular Instruction	\$ 85,774,558	\$ 81,384,392	\$ 80,501,591	\$ 80,669,252	\$ 71,901,340	\$ 72,276,573	\$ 66,592,436	\$ 62,580,598	\$ 58,513,045	\$ 56,468,409
Special Instruction	17,423,833	15,719,955	14,783,086	15,098,723	12,288,601	8,879,343	8,276,167	7,585,296	7,247,797	6,758,195
Vocational Instruction	5,855,583	6,065,799	5,961,740	6,512,069	6,578,187	6,445,976	5,928,194	5,487,643	5,303,815	5,376,015
Compensatory Education	8,267,625	13,912,526	13,305,975	12,627,620	12,459,201	10,277,157	9,070,329	8,166,712	7,629,317	7,827,551
Other Instructional Programs	1,075,753	782,067	527,515	696,904	653,345	262,760	906,770	994,057	919,938	1,030,121
Community Services	916,705	811,372	799,049	829,549	767,083	622,141	539,280	471,424	293,827	279,390
Support Services	16,454,457	15,884,498	16,234,044	16,663,401	15,569,387	15,314,494	13,981,546	13,022,426	12,324,744	11,611,994
Child Nutrition Services	5,114,428	4,927,536	4,807,794	4,460,243	3,978,063	3,641,054	3,295,992	3,175,886	3,031,509	3,017,129
Pupil Transportation Services	6,527,948	6,545,122	6,273,890	6,904,871	6,526,189	5,672,497	5,485,705	4,987,914	4,712,158	4,196,284
Extracurricular Activities	2,198,599	2,265,631	2,215,429	2,239,516	2,150,367	2,211,467	2,034,580	1,976,694	2,007,567	1,791,093
Interest on Long-Term Debt	3,528,817	3,499,072	4,533,655	5,210,720	5,702,085	6,163,330	6,720,197	6,511,839	6,960,305	5,421,957
Total Governmental Activities Expenses	153,138,306	151,797,970	149,943,768	151,912,868	138,573,848	131,766,792	122,831,196	114,960,489	108,944,022	103,778,138
PROGRAM REVENUES										
Governmental Activities										
Charges for Services:										
Regular Instruction	638,480	651,316	695,148	674,016	802,432	540,572	408,630	333,171	303,794	297,318
Vocational Instruction	442,099	498,563	525,740	558,230	785,169	746,463	653,095	549,057	525,021	488,511
Other Instructional Programs	4,930	8,853	8,372	12,205	8,730	900	2,540	14,229	25,100	89,867
Community Services	616,534	454,035	425,254	403,046	473,974	390,123	293,137	261,883	221,728	166,212
Support Services	203,566	147,725	162,488	120,012	171,459	111,823	81,905	112,912	104,463	92,607
Child Nutrition Services	1,251,867	1,308,052	1,337,418	1,440,397	1,458,019	1,331,549	1,286,994	1,111,779	1,229,272	1,222,224
Pupil Transportation Services	-	-	-	-	128,045	37,444	67,450	38,800	34,641	35,992
Extracurricular Activities	2,245,677	2,170,677	2,282,070	2,378,166	2,111,255	2,136,588	2,142,444	2,016,399	1,876,791	1,786,305
Operating Grants and Contributions	28,342,502	32,499,827	31,846,504	37,319,309	29,681,546	25,195,516	23,007,334	21,177,702	19,947,656	19,228,885
Capital Grants and Contributions	3,204,811	1,158,945	1,677,370	1,126,924	1,786,481	2,881,724	4,102,643	7,269,579	7,621,845	1,961,995
Total Governmental Activities Program Revenues	36,950,466	38,897,993	38,960,364	44,032,305	37,407,110	33,372,702	32,046,172	32,885,511	31,890,311	25,369,916
NET EXPENSE	(116,187,840)	(112,899,977)	(110,983,404)	(107,880,563)	(101,166,738)	(98,394,090)	(90,785,024)	(82,074,978)	(77,053,711)	(78,408,222)
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Taxes:										
Property Taxes, Levies for Educational Programs	29,863,934	30,583,209	26,428,805	24,897,526	22,095,935	21,299,390	19,244,340	18,335,564	17,328,159	17,119,687
Property Taxes, Levies for for Debt Service	7,750,422	8,211,474	2,211,513	16,520,770	14,753,202	17,067,568	17,481,948	17,426,693	14,070,114	12,357,961
Property Taxes, Levies for for Tech Equipment	10,158,388	14,550,420	16,693,161	2,812,995	2,739,257	2,360,058	1,429,797	1,148,345	2,419,182	2,498,520
Property Taxes, Levies for Buses	-	-	-	-	-	-	1,623,131	1,148,035	-	-
Unallocated State Apportionment and Others	74,884,134	72,679,379	74,487,418	70,838,733	69,364,051	64,361,890	59,330,744	56,135,170	53,947,687	52,493,877
Interest and Investment Earnings	288,206	361,412	487,209	1,619,753	(39,833)	3,061,865	2,495,274	1,314,113	950,305	808,068
Total Governmental Activities	122,945,084	126,385,894	120,308,106	116,689,777	108,912,612	108,150,771	101,605,234	95,507,920	88,715,447	85,278,113
Change in Net Assets	\$ 6,757,244	\$ 13,485,917	\$ 9,324,702	\$ 8,809,214	\$ 7,745,874	\$ 9,756,681	\$ 10,820,210	\$ 13,432,942	\$ 11,661,736	\$ 6,869,891

Note 1: Source of data is the Auburn School District Financial Statements

AUBURN SCHOOL DISTRICT NO. 408
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Nonspendable	\$ 628,289	\$ 834,064	\$ 489,814	\$ 478,404	\$ 536,835	\$ 436,962	\$ 567,608	\$ 603,037	\$ 689,289	\$ 1,151,161
Restricted	918,365	406,120	-	-	-	-	-	-	-	-
Assigned	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	971,641	4,050,000	4,050,000	4,076,000	2,500,000
Unassigned	6,527,774	8,101,778	8,384,993	6,203,876	4,439,979	3,385,339	550,740	2,309,045	3,147,667	4,624,768
Total General Fund	\$ 10,174,428	\$ 11,441,962	\$ 10,974,807	\$ 8,782,280	\$ 7,076,814	\$ 4,793,942	\$ 5,168,348	\$ 6,962,082	\$ 7,912,956	\$ 8,275,929
All Other Governmental Funds										
Restricted										
Debt Service Fund	\$ 2,044,146	\$ 2,083,365	\$ 2,583,613	\$ 8,528,937	\$ 8,484,345	\$ 8,746,611	\$ 8,546,279	\$ 7,351,843	\$ 6,918,707	\$ 7,177,361
Capital Project Fund	22,805,203	21,105,379	18,575,356	17,249,070	25,864,041	34,973,641	47,632,045	49,063,938	43,047,652	41,192,445
Transportation Vehicle Fund	1,654,860	950,380	787,183	441,731	293,250	472,399	487,411	383,044	394,178	23,639
Special Revenue Fund (ASB)	1,433,077	1,375,404	1,458,200	1,372,266	1,193,537	1,206,871	1,201,110	1,038,172	955,991	1,073,943
Total All Other Governmental Funds	\$ 27,937,286	\$ 25,514,528	\$ 23,404,352	\$ 27,592,004	\$ 35,835,173	\$ 45,399,522	\$ 57,866,845	\$ 57,836,997	\$ 51,316,528	\$ 49,467,388

Note 1: Source of data is the Auburn School District Financial Statements

AUBURN SCHOOL DISTRICT NO. 408
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

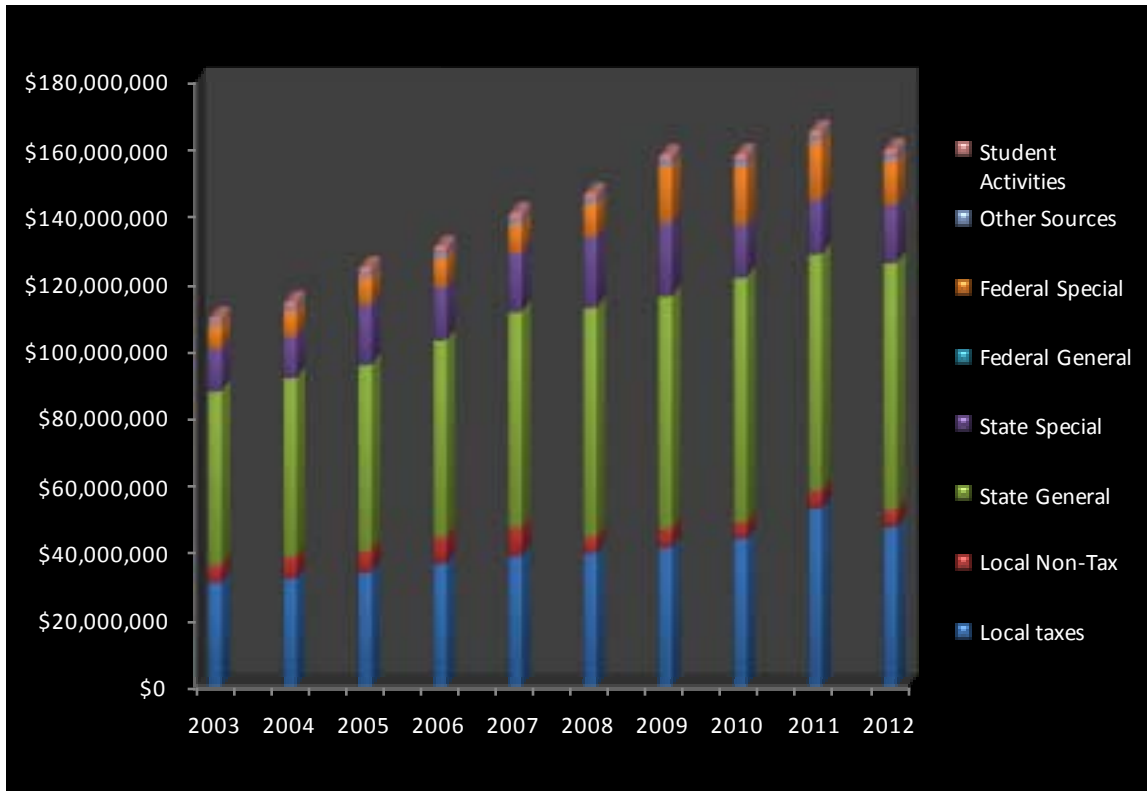
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
REVENUES										
Local Taxes and Non-Taxes	\$ 57,590,570	\$ 55,715,768	\$ 51,630,718	\$ 49,734,471	\$ 47,076,291	\$ 49,775,186	\$ 47,025,345	\$ 42,764,861	\$ 40,795,594	\$ 38,236,071
State Funds	90,598,890	86,310,519	88,295,979	90,812,713	88,953,663	81,643,806	74,347,106	73,290,916	65,382,367	64,265,985
Federal Funds	13,042,232	17,135,473	17,440,610	16,801,336	9,775,469	8,469,808	8,581,697	7,744,133	7,533,537	6,691,303
Revenues from Other Sources	975,305	928,943	932,565	797,567	899,465	782,269	853,908	736,193	682,790	682,894
TOTAL REVENUES	162,206,997	160,090,703	158,299,872	158,146,087	146,704,888	140,671,069	130,808,056	124,536,103	114,394,288	109,876,253
EXPENDITURES										
Regular Instruction	78,528,993	73,528,958	73,313,481	72,290,756	65,011,968	64,793,025	59,976,582	56,045,336	54,074,433	50,738,718
Special Instruction	16,643,184	14,735,842	13,821,513	14,127,354	11,766,231	8,499,335	7,912,255	7,307,811	6,966,441	6,415,923
Vocational Instruction	5,475,188	5,654,358	5,521,411	6,058,317	6,270,243	6,082,636	5,656,459	5,259,169	4,985,802	4,952,534
Compensatory Education	7,715,152	13,242,521	12,544,417	11,837,525	11,932,553	9,836,089	8,728,547	7,740,929	7,255,260	7,401,506
Other Educational Programs	1,006,558	670,850	486,149	580,492	499,283	189,759	717,219	937,423	854,429	988,683
Community Services	902,401	794,902	775,025	805,463	762,284	618,065	534,038	436,196	292,485	275,741
Support Services	15,959,864	15,402,775	15,661,356	15,971,100	15,272,804	14,974,215	13,712,965	12,754,721	11,947,104	11,412,385
Child Nutrition Services	5,053,335	4,814,488	4,707,514	4,341,959	3,938,050	3,586,356	3,256,497	3,131,746	2,970,835	2,800,516
Pupil Transportation Services	5,702,805	5,782,168	5,438,003	6,081,125	5,857,742	5,162,203	4,922,307	4,498,881	4,141,889	3,701,198
Extracurricular Activities (ASB)	2,198,204	2,265,236	2,215,034	2,240,907	2,149,344	2,207,155	2,029,203	1,959,156	1,916,735	1,714,839
Capital Outlay	13,891,035	12,391,983	8,014,931	13,986,612	13,806,540	20,155,649	21,835,820	24,161,931	27,003,198	6,970,783
Debt Service:										
Interest and Other Costs	3,949,622	3,946,720	4,892,106	5,430,660	5,969,445	6,441,677	6,716,388	5,991,292	5,593,263	4,500,086
Principal	4,125,000	4,505,000	12,915,000	10,940,000	10,780,000	10,985,000	9,505,000	9,555,000	8,515,000	7,700,000
TOTAL EXPENDITURES	161,151,341	157,735,801	160,305,940	164,692,270	154,016,487	153,531,164	145,503,280	139,779,591	136,516,874	109,572,912
Excess of Revenues Over/(Under)										
Expenditures	1,055,656	2,354,902	(2,006,068)	(6,546,183)	(7,311,599)	(12,860,095)	(14,695,224)	(15,243,488)	(22,122,586)	303,341
OTHER FINANCING SOURCES (USES)										
Sales of Equipment & Properties	37,867	23,451	10,943	8,480	30,122	18,366	15,453	145,347	37,459	8,931
Sales of Bonds and Refunding Bonds	9,997,004	40,965,756	-	-	-	-	12,650,000	20,000,000	22,800,000	36,000,000
Bond Premium/(Discount)	-	-	-	-	-	-	265,884	694,737	771,294	1,945,125
Other Financing Uses	(9,935,303)	(40,766,778)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	99,568	222,429	10,943	8,480	30,122	18,366	12,931,337	20,840,084	23,608,753	37,954,056
NET CHANGE IN FUND BALANCES	\$ 1,155,224	\$ 2,577,331	\$ (1,995,125)	\$ (6,537,703)	\$ (7,281,477)	\$ (12,841,729)	\$ (1,763,887)	\$ 5,596,596	\$ 1,486,167	\$ 38,257,397
Debt Service as a Percentage of Noncapital Expenditures	5.48%	5.81%	11.69%	10.86%	11.95%	13.07%	13.12%	13.45%	12.88%	11.89%

Note 1: Source of data is the Auburn School District Financial Statements

AUBURN SCHOOL DISTRICT NO. 408
REVENUES BY SOURCE-FUND LEVEL 1/
LAST TEN FISCAL YEARS

Table 5



Fiscal Year	Local Taxes	Local Non-Tax	State General Purpose	State Special Purpose 3/	Federal General Purpose	Federal Special Purpose	Other Sources	Student Activities	Total
2003	\$31,229,037	\$5,220,729	\$51,669,303	\$12,596,682	\$129,369	\$6,561,934	\$682,894	\$1,786,305	\$109,876,253
2004	\$32,450,948	\$6,467,855	\$53,199,920	\$12,182,447	\$180,885	\$7,352,652	\$843,645	\$1,876,791	\$114,555,143
2005	\$34,348,631	\$6,374,892	\$55,234,955	\$18,055,961	\$88,829	\$7,655,304	\$1,106,707	\$2,041,338	\$124,906,617
2006	\$36,953,494	\$7,879,711	\$58,559,096	\$15,788,010	\$124,395	\$8,457,302	\$1,224,422	\$2,192,140	\$131,178,570
2007	\$39,185,044	\$8,377,226	\$64,208,668	\$17,435,138	\$140,920	\$8,328,888	\$1,186,270	\$2,212,916	\$141,075,070
2008	\$40,003,684	\$4,936,597	\$68,138,093	\$20,815,570	\$220,286	\$9,555,183	\$1,057,815	\$2,136,010	\$146,863,238
2009	\$41,665,215	\$5,649,620	\$69,162,544	\$21,650,169	\$240,154	\$16,561,182	\$975,610	\$2,419,636	\$158,324,130
2010	\$44,375,824	\$4,953,926	\$72,606,755	\$15,689,224	\$138,243	\$17,302,367	\$1,244,250	\$2,300,968	\$158,611,557
2011	\$53,345,103	\$5,357,958	\$70,315,169	\$15,995,350	\$151,548	\$16,983,925	\$1,203,492	\$2,182,440	\$165,534,985
2012	\$50,122,058	\$5,212,635	\$73,403,321	\$17,195,569	\$133,197	\$12,909,035	\$1,270,219	\$2,255,877	\$162,501,911

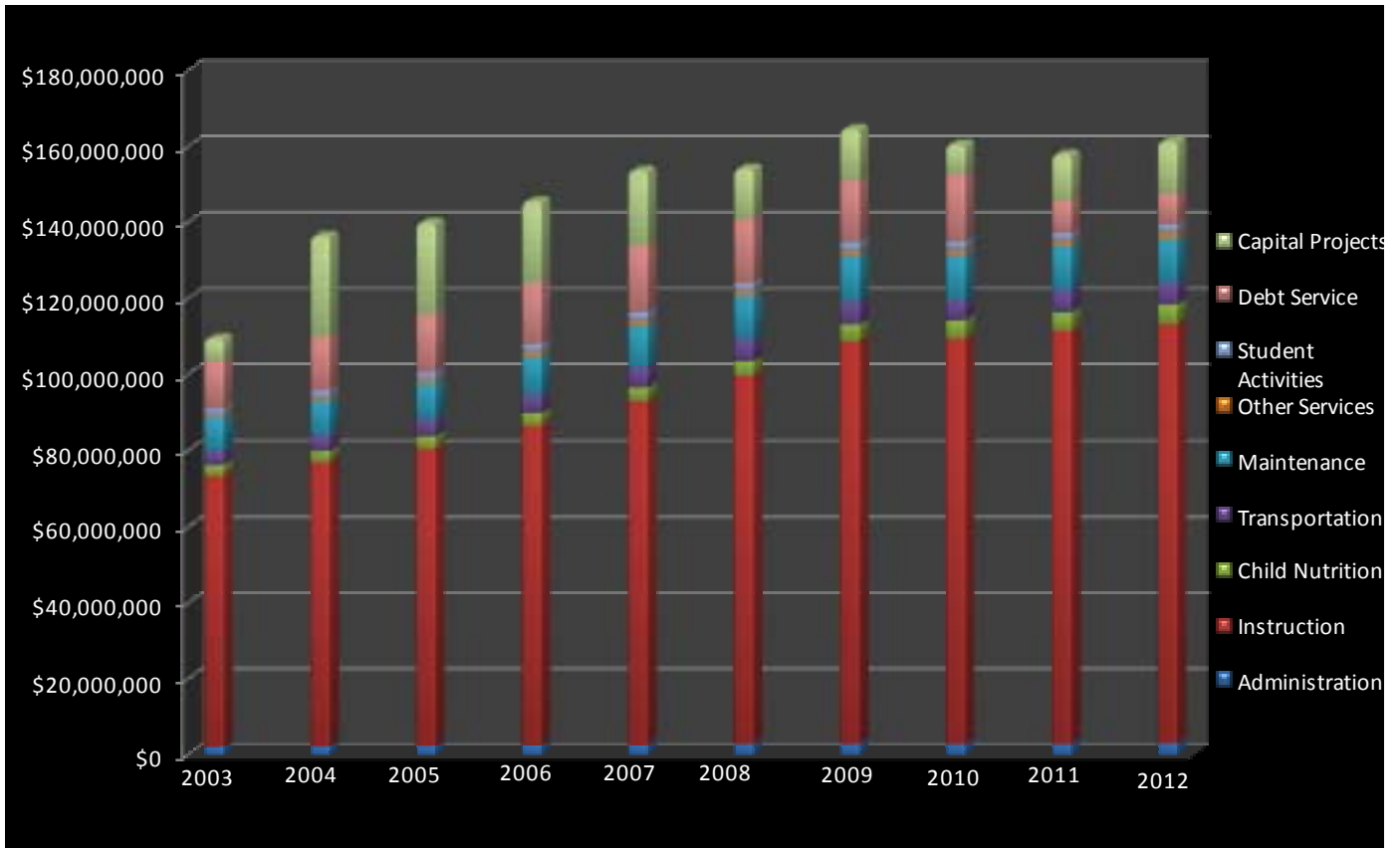
Note 1: Includes General, Special Revenue, Debt Service, Capital Projects, Employee Benefit Trust and Private Purpose Trust Fund

Note 2: All figures obtained from respective F-196 Annual Financial Reports.

Note 3: State special revenue fluctuations primarily due to varying amounts of state matching money received for completed school construction projects.

Table 6

AUBURN SCHOOL DISTRICT NO. 408
GENERAL EXPENDITURES BY FUNCTION - FUND LEVEL 1/
LAST TEN FISCAL YEARS



Year	Administration	Instruction	Child Nutrition	Pupil Transportation	Maintenance-Operations	Other Services	Student Activities	Debt Service	Capital Projects	Total
2003	\$2,220,482	\$71,423,491	\$2,800,516	\$3,701,198	\$8,574,949	\$616,954	\$1,886,766	\$12,200,086	\$6,248,860	\$109,673,302
2004	\$2,405,967	\$74,748,146	\$2,970,835	\$4,141,889	\$8,804,366	\$835,642	\$1,994,743	\$14,108,263	\$26,507,023	\$136,516,874
2005	\$2,509,704	\$78,150,434	\$3,131,746	\$4,498,881	\$9,473,256	\$965,274	\$1,959,156	\$15,380,984	\$23,930,669	\$140,000,104
2006	\$2,691,500	\$84,002,942	\$3,256,497	\$4,922,307	\$10,212,664	\$1,062,479	\$2,029,203	\$16,110,111	\$21,469,255	\$145,756,958
2007	\$2,770,443	\$90,324,368	\$3,586,356	\$5,162,203	\$11,316,791	\$1,190,521	\$2,207,155	\$17,426,677	\$19,850,190	\$153,834,704
2008	\$3,067,970	\$96,666,493	\$3,938,050	\$5,857,742	\$11,306,227	\$1,218,989	\$2,149,344	\$16,749,445	\$13,401,236	\$154,355,496
2009	\$3,061,749	\$105,981,038	\$4,341,959	\$6,081,125	\$11,999,194	\$1,099,187	\$2,240,907	\$16,370,660	\$13,705,481	\$164,881,300
2010	\$3,028,952	\$106,697,777	\$4,707,514	\$5,438,003	\$11,711,616	\$1,252,262	\$2,215,034	\$17,807,106	\$7,779,150	\$160,637,414
2011	\$2,991,197	\$108,756,960	\$4,814,488	\$5,782,168	\$11,581,142	\$1,180,799	\$2,265,236	\$8,451,720	\$12,262,454	\$158,086,164
2012	\$3,164,087	\$110,373,717	\$5,053,335	\$5,702,805	\$11,598,099	\$1,544,070	\$2,198,204	\$8,074,622	\$13,788,794	\$161,497,733

Note 1: Includes General, Special Revenue, Debt Service, Capital Projects, Private Purpose Trust, Employee Benefit Trust and Transportation Vehicle Fund.

Note 2: All figures obtained from respective F-196 State of Washington Annual Financial Reports.

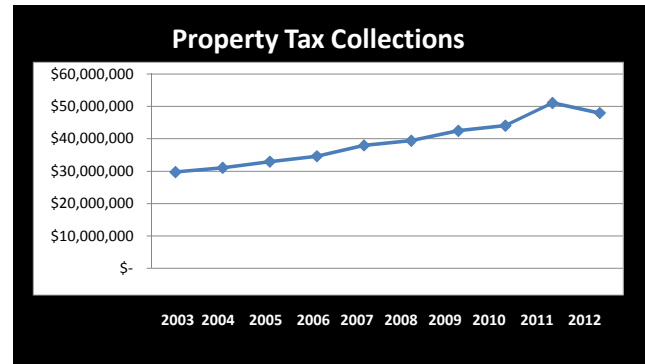
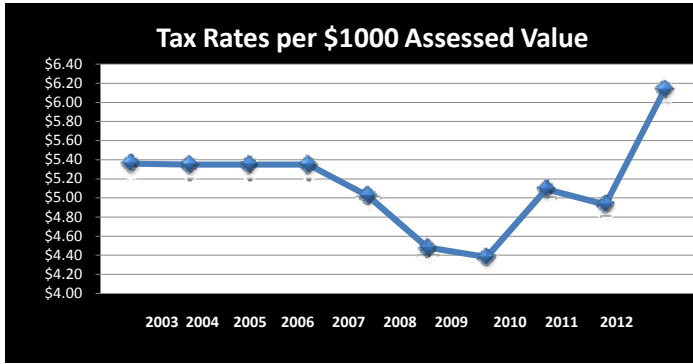
**AUBURN SCHOOL DISTRICT NO. 408
INTEREST EARNINGS ON INVESTMENTS
LAST TEN FISCAL YEARS**



FISCAL YEAR	TOTAL	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS	TRANSPORT VEHICLE FUND	PRIVATE PURPOSE	EMPLOYEE BENEFIT TRUST
			ASB					
2003	\$ 837,310	149,003	21,269	101,342	542,009	15,714	7,973	-
2004	\$ 981,846	186,286	22,541	100,298	657,425	6,297	8,999	-
2005	\$ 1,326,698	215,965	24,839	122,584	927,098	23,528	11,555	1,129
2006	\$ 2,525,048	337,626	49,697	276,270	1,790,192	41,490	25,058	4,715
2007	\$ 3,107,023	370,957	76,329	401,590	2,142,790	70,198	35,312	9,847
2008	\$ (22,159)	52,762	24,755	(39,445)	(79,103)	1,198	17,495	179
2009	\$ 1,670,592	406,742	59,639	296,135	847,989	27,417	25,462	7,208
2010	\$ 495,041	145,329	18,898	44,678	263,350	14,954	5,890	1,942
2011	\$ 367,356	93,162	11,763	36,644	210,537	9,306	4,887	1,057
2012	\$ 292,775	73,837	10,200	22,054	170,343	11,773	4,001	567

Note 1: Source of data is the Auburn School District Financial Statements

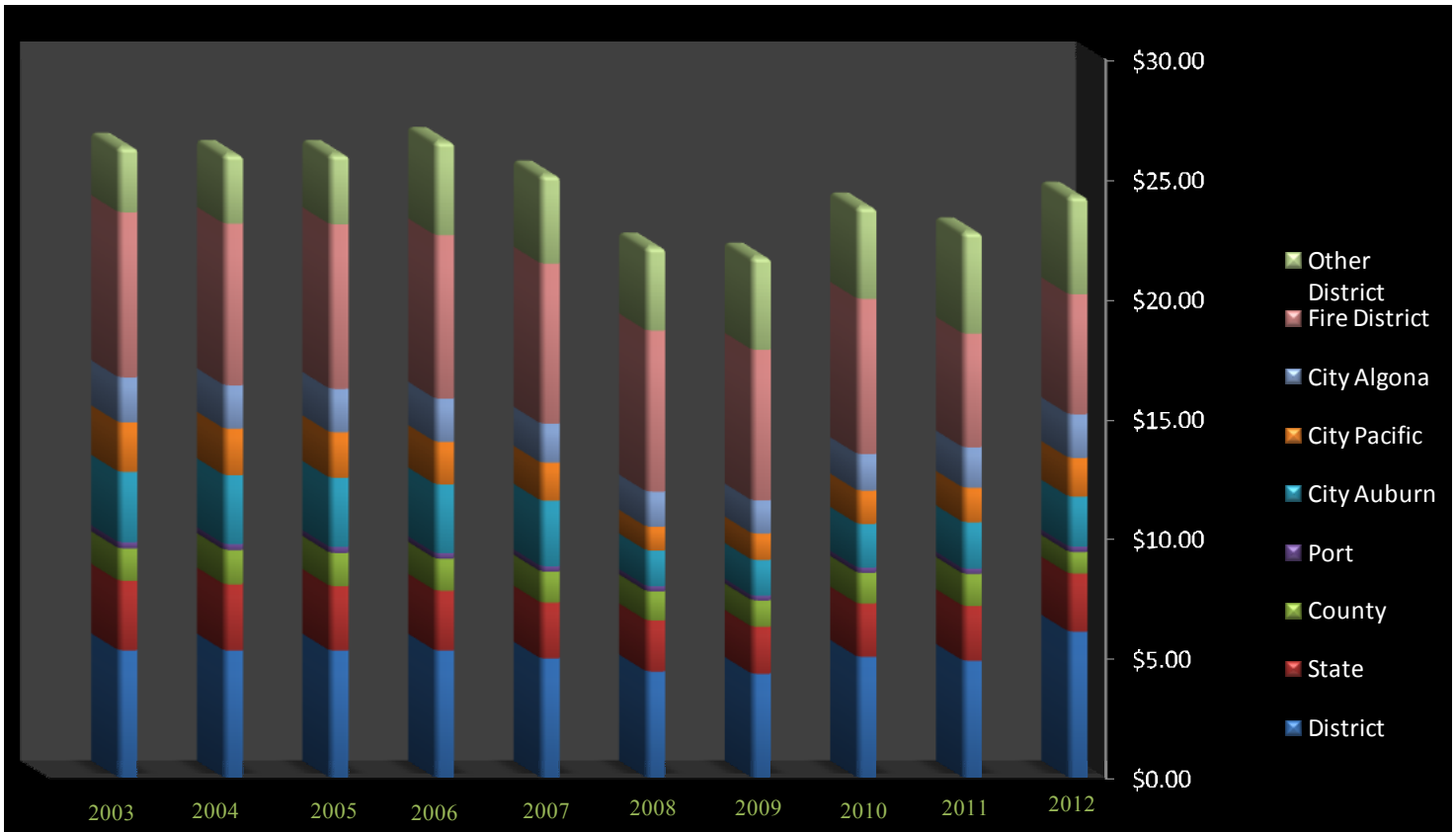
**AUBURN SCHOOL DISTRICT NO. 408
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN CALENDAR YEARS**



TAX (CALENDAR) YEAR	PROPERTY TAX LEVIES						COLLECTED CALENDAR YEAR LEVY						COLLECTED BY 8/31	
	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANS VEHICLE FUND	TOTAL LEVY	RATE PER \$1,000 ASSESSED VALUE	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANS VEHICLE FUND	TOTAL COLLECTED	% OF TOTAL LEVY	AMOUNT	% OF TOTAL LEVY
2003	16,872,699	12,427,743	2,485,868	-	31,786,310	\$ 5.36	15,369,483	11,981,487	2,435,308	-	29,786,278	97.75%	16,456,332	51.77%
2004	17,459,162	13,724,549	2,483,487	-	33,667,198	\$ 5.35	16,497,094	12,150,888	2,430,173	-	31,078,155	97.77%	17,367,885	51.59%
2005	18,252,770	16,328,761	7,263	755,572	35,344,366	\$ 5.35	17,101,233	13,441,197	2,432,355	-	32,974,785	97.94%	18,667,091	52.81%
2006	19,142,993	17,292,795	946,758	1,335,632	38,718,178	\$ 5.35	17,902,474	16,012,839	699	739,456	34,655,468	98.05%	20,455,905	52.83%
2007	20,817,530	17,368,536	1,895,823	966	40,082,855	\$ 5.02	18,785,227	16,968,978	929,556	1,309,995	37,993,756	98.13%	20,488,599	51.12%
2008	21,969,813	15,888,781	2,481,979	(78)	40,340,495	\$ 4.48	21,466,545	15,522,984	2,425,376	34	39,414,939	97.71%	20,649,727	51.19%
2009	24,327,993	16,603,844	2,749,814	146	43,681,797	\$ 4.38	23,666,250	16,149,996	2,675,447	-	42,491,693	97.28%	22,111,211	50.62%
2010	25,977,780	7,298,802	11,970,954	(7)	45,247,529	\$ 5.09	25,329,690	7,092,652	11,692,543	-	44,114,885	97.50%	23,111,969	51.08%
2011	29,346,372	7,980,618	13,837,208	553	51,164,751	\$ 4.93	29,283,015	8,047,944	13,736,905	200	51,068,064	99.81%	27,114,060	52.99%
2012	30,234,698	7,978,362	11,671,372	592	49,885,023	\$ 6.14	29,058,467	7,706,127	11,229,760	272	47,994,626	96.21%	25,355,290	50.83%

Note 1: Sources of data are King and Pierce Counties Assessor's Annual Reports

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY 1/
AND PROPERTY TAX RATES
ALL OVERLAPPING TAXING AUTHORITIES
LAST TEN YEARS

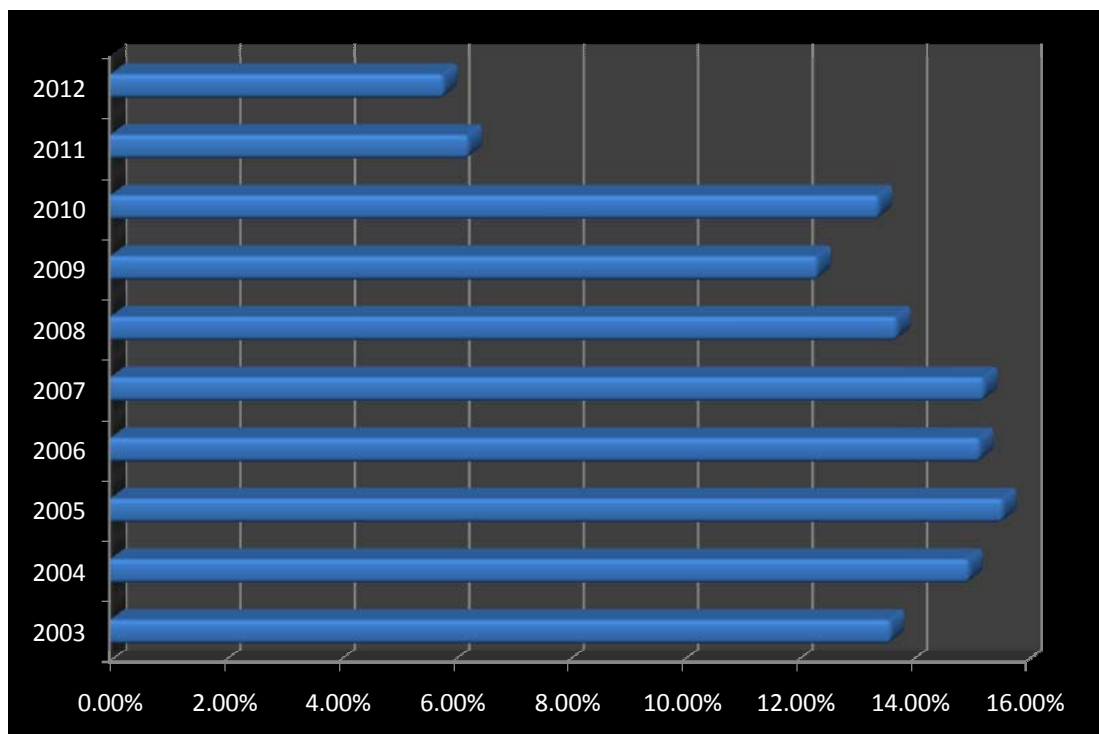


Fiscal Year	Assessed and Estimated Actual Value 2/	General Fund	Debt Service Fund	Capital Projects Fund	Transportation Fund	Total District	Wash. State	King County	Port of Seattle	City of Auburn	City of Pacific	City of Algona	Fire Districts	Other Districts	Total
2003	\$5,961,873,765	\$2.84	\$2.10	\$0.42		\$5.36	\$2.90	\$1.35	\$0.26	\$2.93	\$2.06	\$1.88	\$6.88	\$2.67	\$26.29
2004	\$6,333,191,792	\$2.77	\$2.18	\$0.40		\$5.35	\$2.76	\$1.43	\$0.25	\$2.87	\$1.94	\$1.81	\$6.73	\$2.85	\$25.99
2005	\$6,628,643,964	\$2.75	\$2.49	\$0.00	\$0.11	\$5.35	\$2.69	\$1.38	\$0.25	\$2.88	\$1.90	\$1.81	\$6.86	\$2.87	\$25.99
2006	\$7,229,052,461	\$2.64	\$2.40	\$0.13	\$0.18	\$5.35	\$2.50	\$1.33	\$0.23	\$2.87	\$1.77	\$1.80	\$6.81	\$3.87	\$26.53
2007	\$8,113,542,392	\$2.63	\$2.15	\$0.24		\$5.02	\$2.33	\$1.29	\$0.23	\$2.73	\$1.58	\$1.63	\$6.67	\$3.65	\$25.13
2008	\$9,212,959,129	\$2.40	\$1.81	\$0.27		\$4.48	\$2.13	\$1.21	\$0.22	\$1.48	\$0.99	\$1.47	\$6.71	\$3.44	\$22.13
2009	\$9,977,727,040	\$2.44	\$1.66	\$0.28		\$4.38	\$1.96	\$1.10	\$0.20	\$1.49	\$1.10	\$1.38	\$6.28	\$3.82	\$21.71
2010	\$8,886,234,190	\$2.92	\$1.35	\$0.82		\$5.09	\$2.22	\$1.28	\$0.22	\$1.82	\$1.39	\$1.52	\$6.47	\$3.79	\$23.80
2011	\$8,565,652,076	\$2.88	\$0.86	\$1.19		\$4.93	\$2.28	\$1.34	\$0.22	\$1.93	\$1.44	\$1.68	\$4.74	\$4.20	\$22.76
2012	\$8,146,014,682	\$3.72	\$0.98	\$1.44		\$6.14	\$2.42	\$0.90	\$0.23	\$2.08	\$1.61	\$1.82	\$5.00	\$4.05	\$24.25

Note 1: Sources of data are the King and Pierce County Departments of Assessments.

Note 2: Ratio of total assessed to total estimated value is 100%. Assessed value is shown net of exempt property. Assessed and estimated actual value are the same amount.

AUBURN SCHOOL DISTRICT NO. 408
 RATIO OF ANNUAL DEBT SERVICE 1/
 FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
 LAST TEN FISCAL YEARS

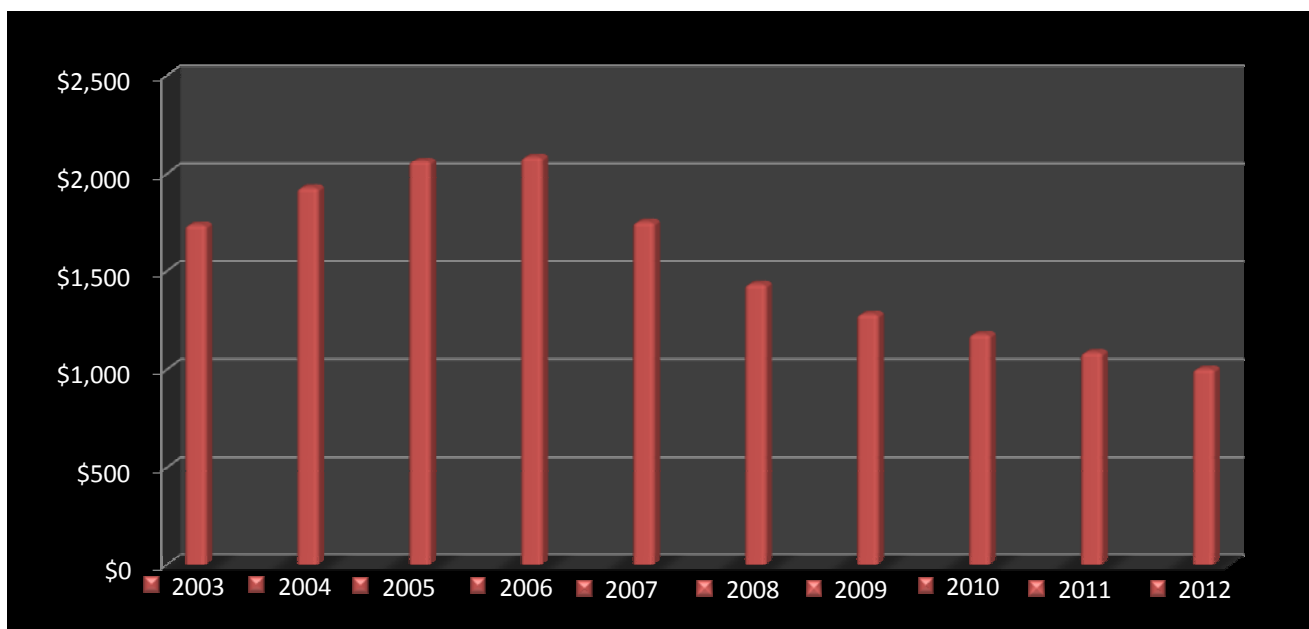


FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	GENERAL FUND EXPENDITURES	RATIO 2/
2003	\$7,700,000	\$4,498,413	\$12,198,413	\$89,337,590	13.65%
2004	\$8,515,000	\$5,591,390	\$14,106,390	\$93,906,845	15.02%
2005	\$9,555,000	\$5,823,615	\$15,378,615	\$98,535,782	15.61%
2006	\$9,505,000	\$6,602,530	\$16,107,530	\$105,894,711	15.21%
2007	\$10,985,000	\$6,439,259	\$17,424,259	\$114,047,142	15.28%
2008	\$10,780,000	\$5,967,631	\$16,747,631	\$121,735,089	13.76%
2009	\$10,940,000	\$5,428,844	\$16,368,844	\$132,375,222	12.37%
2010	\$12,915,000	\$4,890,594	\$17,805,594	\$132,504,650	13.44%
2011	\$4,505,000	\$3,946,720	\$8,451,720	\$134,756,391	6.27%
2012	\$4,125,000	\$3,887,024	\$8,012,024	\$137,089,721	5.84%

Note 1: Includes Debt Service Fund only.

Note 2: Ratio of Debt Service to total General Fund expenditures.

AUBURN SCHOOL DISTRICT NO. 408
 RATIO OF NET GENERAL BONDED DEBT PER CAPITA
 RATIO OF NET GENERAL BONDED DEBT TO PERSONAL INCOME
 LAST TEN FISCAL YEARS



Fiscal Year	1/ Population	Assessed Value	Gross 2/ Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Per Capita Personal Income	Ratio of Net Bonded Debt to Per Capita Personal Income
2003	62,549	\$5,961,873,765	\$115,910,000	\$7,177,361	\$108,732,639	.0182	\$1,738	\$ 23,116	7.52%
2004	62,491	\$6,333,191,792	\$127,180,000	\$6,918,707	\$120,261,293	.0190	\$1,924	\$ 24,126	7.98%
2005	63,120	\$6,628,643,964	\$137,625,000	\$7,351,843	\$130,273,157	.0197	\$2,064	\$ 25,181	8.20%
2006	63,406	\$7,229,052,461	\$140,770,000	\$8,546,279	\$132,223,721	.0183	\$2,085	\$ 26,281	7.93%
2007	69,072	\$8,113,542,392	\$129,785,000	\$8,746,611	\$121,038,389	.0149	\$1,752	\$ 27,430	6.39%
2008	77,167	\$9,212,959,129	\$119,005,000	\$8,484,345	\$110,520,655	.0120	\$1,432	\$ 28,628	5.00%
2009	77,690	\$9,977,727,040	\$108,065,000	\$8,528,937	\$99,536,063	.0100	\$1,281	\$ 30,208	4.24%
2010	78,487	\$8,886,234,190	\$95,150,000	\$2,583,613	\$92,566,387	.0104	\$1,179	\$ 29,483	4.00%
2011	81,388	\$8,565,652,076	\$90,670,000	\$2,083,365	\$88,586,635	.0103	\$1,088	\$ 27,080	4.02%
2012	84,947	\$8,146,014,682	\$87,125,000	\$2,044,146	\$85,080,854	.0104	\$1,002	\$ 26,894	3.72%

Note 1: Population includes the cities of Auburn, Algona and Pacific and parts of unincorporated King County per the U. S. Census Bureau and Washington State Office of Financial Management.

Note 2: Includes all long term general obligation bonded debt.

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
AUGUST 31, 2012

JURISDICTION	DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO ASD No.408	AMOUNT APPLICABLE TO ASD No.408
<u>DIRECT BONDED DEBT:</u>			
Auburn School District No. 408	\$87,125,000	100.00	<u>\$87,125,000</u>
<u>OVERLAPPING BONDED DEBT:</u>			
King County (Note 1)	\$959,909,307	2.30	\$22,077,914
Port of Seattle	\$335,755,000	2.30	\$7,722,365
King County Rural Library	\$122,175,000	3.47	\$4,239,473
City of Auburn	\$37,782,719	100.00	\$37,782,719
Total Overlapping Bonded Debt			<u>\$71,822,471</u>
Total Direct and Overlapping Bonded Debt			<u><u>\$158,947,471</u></u>

Note 1: King County debt excludes proprietary type debt, public facilities districts debt financed from special taxes, and hotel/motel tax financed debt.

Note 2: Source of data: King County Department of Assessments, King County Office of Finance, Port of Seattle and the City of Auburn.

Note 3: Source of Overlapping Debt Percentages: D.A. Davidson

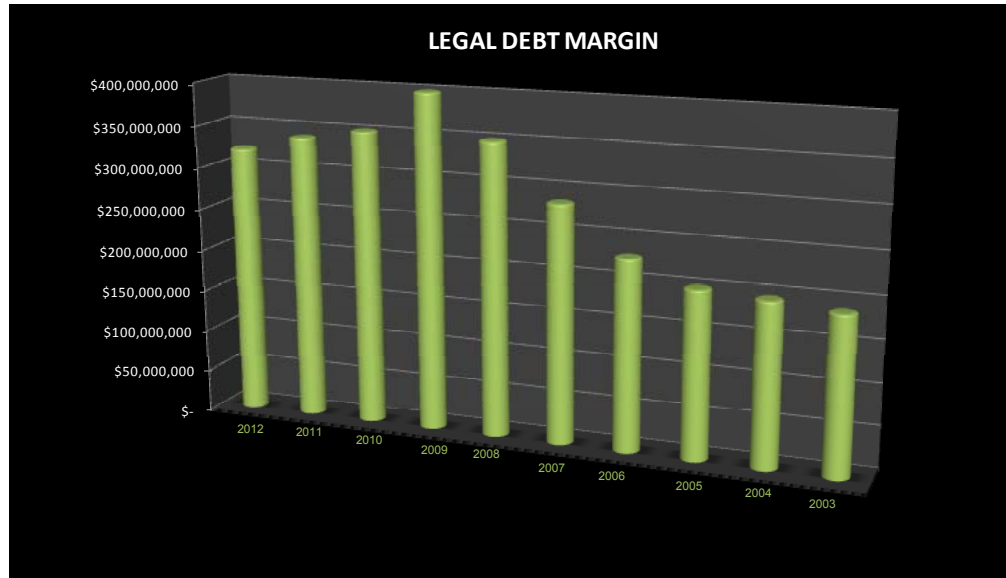
AUBURN SCHOOL DISTRICT NO. 408

COMPUTATION OF LEGAL DEBT MARGIN August 31, 2012
--

	With a Vote 5%	With a Vote 2 1/2%	Without a Vote 3/8%
Total Taxable Assessed Value for Debt Service Fund Levies	\$ 8,146,014,682	8,146,014,682	8,146,014,682
Debt Limit - % of Taxable Assessed Value 1/	<u>x 5%</u>	<u>x 2 1/2%</u>	<u>x 3/8%</u>
	407,300,734	203,650,367	30,547,555
Total Bonded Debt	\$ 87,125,000		
Less Assets in Debt Service Fund Available for Payment of Principal	<u>(2,044,146)</u>		
Total Debt Applicable to to Debt Limits	<u>\$ 85,080,854</u>	<u>85,080,854</u>	<u>30,547,555</u>
Legal Debt Margin	<u>\$ 322,219,880</u>	<u>\$ 118,569,513</u>	<u>\$ 0</u>

Note 1: RCW 39.36.015 and 39.36.020 provide that debt cannot be incurred in excess of the following percentages of the value of the taxable property of the district: 5% with a vote of the people, provided the indebtedness in excess of 2 1/2% is for capital outlay (3/5 assent of those who vote), 2 1/2% with a vote of the people (3/5 assent of those who vote), 3/8% without a vote of the people.

**AUBURN SCHOOL DISTRICT NO. 408
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years**

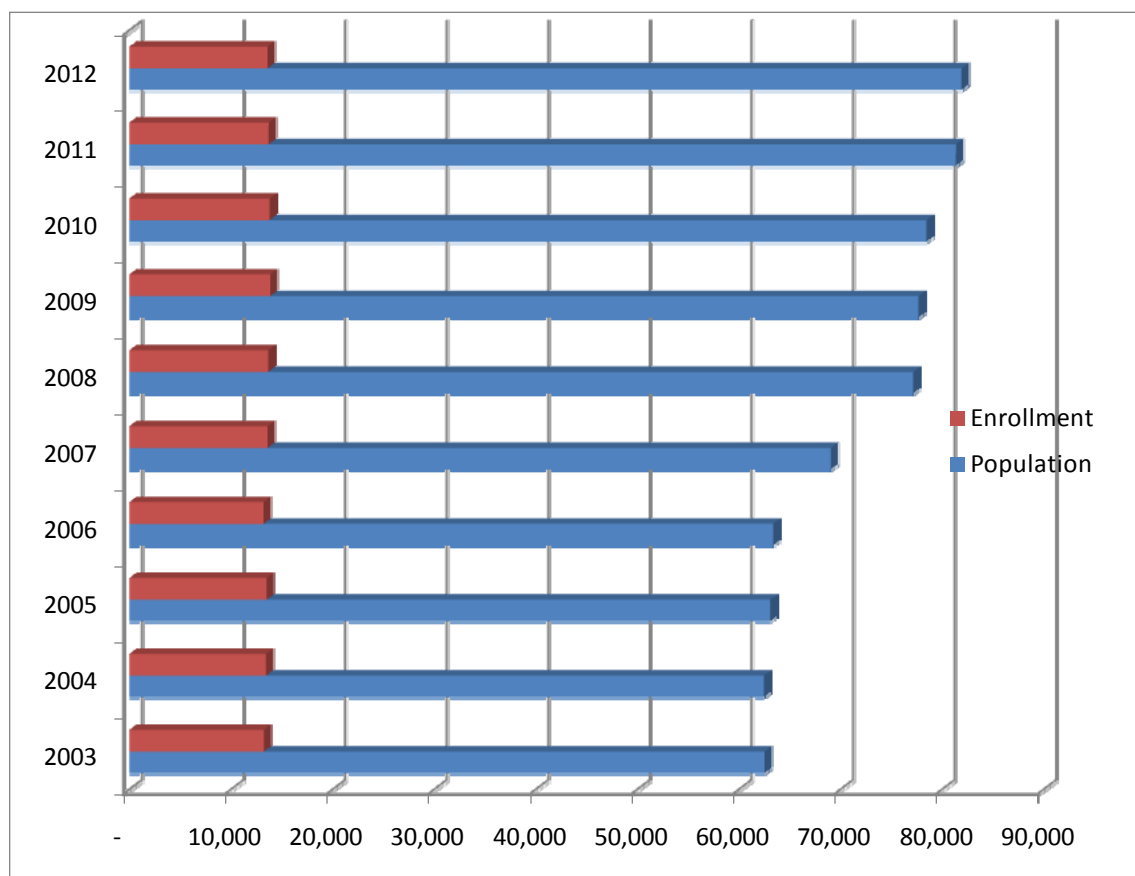


	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt Limit:										
Voted Debt (5%)	407,300,734	428,282,604	444,311,710	498,886,352	460,647,956	405,677,120	361,452,623	331,432,198	316,659,590	298,093,688
Total Debt Limit	407,300,734	428,282,604	444,311,710	498,886,352	460,647,956	405,677,120	361,452,623	331,432,198	316,659,590	298,093,688
Total Net Debt Applicable to Limit	85,080,854	88,586,635	92,566,387	99,536,063	110,520,655	121,038,389	132,223,721	130,273,157	120,261,293	108,732,639
Legal Debt Margin	\$ 322,219,880	\$ 339,695,969	\$ 351,745,323	\$ 399,350,289	\$ 350,127,301	\$ 284,638,731	\$ 229,228,902	\$ 201,159,041	\$ 196,398,297	\$ 189,361,049

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.89%	20.68%	20.83%	19.95%	23.99%	29.84%	36.58%	39.31%	37.98%	36.48%
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Note 1: Sources of data are King County Assessor and Auburn School District Financial Statements

AUBURN SCHOOL DISTRICT NO. 408
DE MOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS



FISCAL YEAR	SCHOOL POPULATION 1/	SCHOOL ENROLLMENT 2/	UNEMPLOYMENT RATE KING COUNTY 3/	PER CAPITA PERSONAL INCOME 4/	TOTAL PERSONAL INCOME
2003	62,549	13,267	7.0%	\$23,116	\$ 1,445,882,684
2004	62,491	13,471	5.6%	\$24,126	\$ 1,507,657,866
2005	63,120	13,529	4.9%	\$25,181	\$ 1,589,424,720
2006	63,406	13,229	4.2%	\$26,281	\$ 1,666,373,086
2007	69,072	13,628	3.8%	\$27,430	\$ 1,894,644,960
2008	77,167	13,679	4.9%	\$28,628	\$ 2,209,136,876
2009	77,690	13,893	8.6%	\$30,208	\$ 2,346,859,520
2010	78,487	13,807	8.7%	\$29,483	\$ 2,314,032,221
2011	81,388	13,736	8.6%	\$27,080	\$ 2,203,987,040
2012	84,947	13,618	8.0%	\$26,894	\$ 2,284,564,618

Note 1: Population includes the cities of Auburn, Algona, Pacific and parts of unincorporated King County per the U. S. Census Bureau and Washington State Office of Financial Management.

Note 2: Enrollment is the average annual headcount for the fiscal year.

Note 3: Source of data is the Department of Labor, Bureau of Labor Statistics

Note 4: Source of data is the City of Auburn.

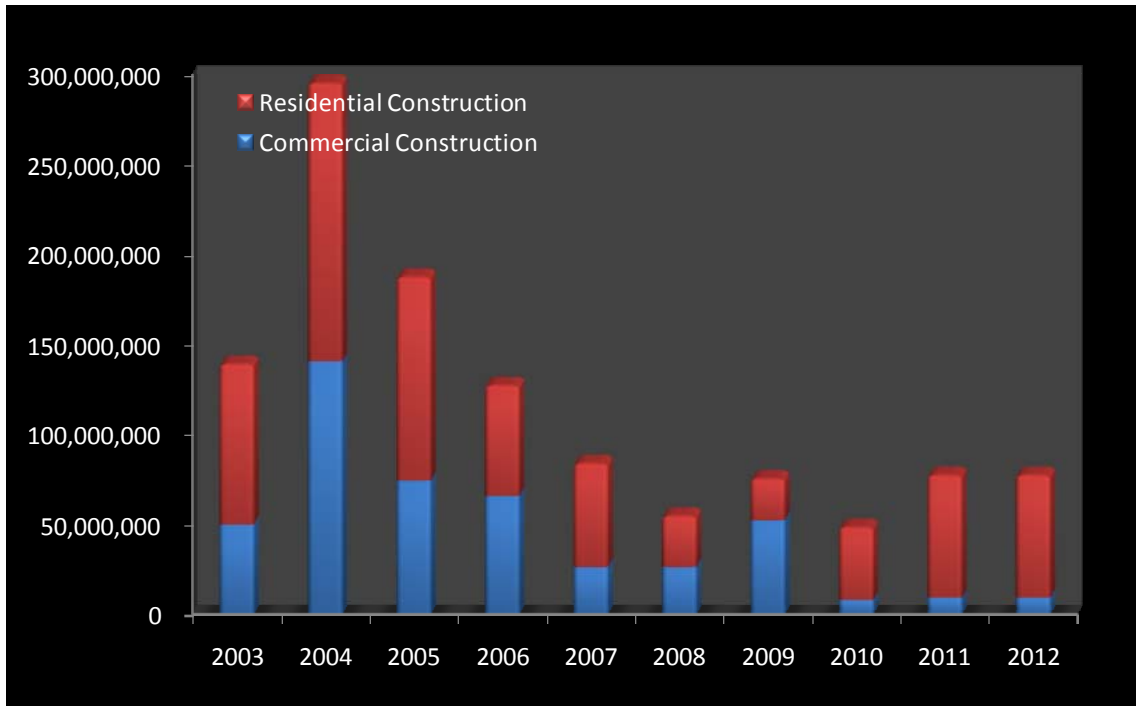
AUBURN SCHOOL DISTRICT NO. 408
PRINCIPAL TAXPAYERS
Current Year and Ten Years Ago

TAXPAYER	2012			2003		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Boeing Company						
Aircraft Manufacturing	\$ 469,398,671	1	5.76%	623,065,466	1	10.45%
Glimcher Realty Trust						
Retail Shopping Mall	109,755,583	2	1.35%	91,250,646	2	1.53%
Safeway						
Distribution	86,736,849	3	1.06%			
Universal Health Services						
Hospital Services	65,886,195	4	0.81%			
Puget Sound Energy						
Gas and Electric Utility	64,805,982	5	0.79%	69,371,098	3	1.16%
Muckleshoot Indian Tribe						
Gaming	55,123,700	6	0.68%			
Belara Communities, LLC						
Real Estate Services	51,114,300	7	0.63%			
Park 277 (formerly EPropertyTax Inc.)						
Property Tax Service Provider	33,672,100	8	0.41%			
UPS Supply Chain Solutions						
Transportation & Freight	31,155,543	9	0.38%	37,096,800	4	0.62%
Wal-Mart Store						
Retail Sales	30,032,484	10	0.37%			
La Terra Limited Partnership						
Telecommunications				36,111,636	5	0.61%
P-3/Parkway LLC						
Warehouse/Storage				21,364,400	6	0.36%
Roundup Company (Fred Meyers)						
Retail Sales				17,918,734	7	0.30%
La Pianta						
Warehouse/Storage				13,973,600	8	0.23%
West Valley 29 Partners						
Warehouse/Storage				13,946,100	9	0.23%
Schnitzer Investment Corporation						
Warehouse/Storage				13,070,300	10	0.22%
	\$ 997,681,407			937,168,780		

Note 1: Sources of data are the King County and Pierce County Assessor's Offices.

Note 2: Total assessed valuation is \$8,146,014,682.

AUBURN SCHOOL DISTRICT NO. 408
 PROPERTY VALUE AND CONSTRUCTION
 LAST TEN YEARS



YEAR	COMMERCIAL CONSTRUCTION 1/		RESIDENTIAL CONSTRUCTION 1/		PROPERTY VALUE 3/
	UNITS	VALUE	UNITS	VALUE	
2003	337	\$50,269,426	583	\$89,414,972	\$5,961,873,765
2004	55	\$140,974,572	4/ 723	\$154,629,409	5/ \$6,333,191,792
2005	85	\$74,746,373	561	\$113,272,883	\$6,628,643,964
2006	66	\$66,121,697	238	\$61,709,269	\$7,229,052,461
2007	45	\$26,685,567	262	\$57,805,861	\$8,113,542,392
2008	37	\$26,785,547	151	\$28,605,626	\$9,212,959,129
2009	24	\$52,720,496	131	\$23,305,170	\$9,977,727,040
2010	16	\$8,532,939	209	\$40,582,579	\$8,886,234,190
2011	27	\$9,790,345	282	\$68,208,082	\$8,565,652,076
2012	24	\$13,218,643	437	\$102,038,848	\$8,146,014,682

- Note 1: Residential units were compiled on the basis of family units, including apartment units. Building Departments of the cities of Auburn, Algona and Pacific provided these statistics.
- Note 2: Data is as of December 31 of each year.
- Note 3: Sources of data are King County and Pierce County Assessor's Offices.
- Note 4: Increase in commercial construction primarily due to new Safeway Distribution Center.
- Note 5: Increase in residential construction primarily due to new homes in Lakeland Hills.

Table 18

AUBURN SCHOOL DISTRICT NO. 408
MAJOR EMPLOYERS
Current Year and Ten Years Ago

<u>Employer</u>	<u>Product/Service</u>	2012			2003		
		<u>Employees</u>	<u>Rank</u>	<u>Percentage of District Employment/1</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of District Employment</u>
The Boeing Company	Aerospace	5,179	1	17.3%	10,000	1	50.5%
Muckleshoot Tribal Enterprises	Gaming	2,500	2	8.3%	1,200	3	4.7%
Auburn School District	Education	1,800	3	6.0%	1,682	2	7.6%
Super Mall	Retail	1,700	4	5.7%			
Green River Community College	Education	1,067	5	3.6%	900	4	3.4%
Auburn Regional Medical Center	Hospital	805	6	2.7%	500	7	2.8%
Emerald Downs Racetrack	Horse Racing	678	7	2.3%	600	5	3.4%
Safeway	Grocery Retail/Dist	650	8	2.2%			
Social Security Administration	Gov't/Public Offices	600	9	2.0%	536	6	3.0%
Federal Aviation Administration	Federal Government	500	10	1.7%	500	7	2.8%
General Services Administration	Federal Government	500	10	1.7%	325	9	2.0%
Zones, Inc.	Technology Reseller	500	10	1.7%			
City of Auburn	City Government				438	8	2.6%
Fred Meyer	Retail				289	10	1.7%
TOTALS		16,479		55.2%	16,970		84.5%

Note 1: Source of data is the City of Auburn Economic Development Department

Table 19

AUBURN SCHOOL DISTRICT No. 408
FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY PROGRAM
Last Ten Fiscal Years

Program Description	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Regular Education										
Certificated	690	685	670	664	667	688	680	669	664	644
Classified	119	112	125	116	112	110	108	100	105	102
Special Education										
Certificated	102	99	100	97	90	60	60	58	57	50
Classified	92	88	90	70	70	69	68	65	65	62
Vocational Education										
Certificated	43	46	45	47	49	50	51	46	46	48
Classified	14	15	14	16	21	21	21	18	17	16
Compensatory Education										
Certificated	35	46	53	74	73	73	64	60	61	72
Classified	51	61	43	59	70	66	70	61	59	62
Other Instructional Programs										
Certificated	3	2	1	1	1	1	3	4	4	4
Classified	7	4	4	3	3	2	3	5	5	5
Support Services										
Certificated	4	4	4	4	4	4	5	5	5	5
Classified	246	253	251	261	259	255	247	244	238	233
TOTAL	1,406	1,415	1,400	1,412	1,419	1,399	1,380	1,335	1,326	1,303

Note 1: Source of data is the Auburn School District Human Resources Department.

AUBURN SCHOOL DISTRICT NO. 408

OPERATING STATISTICS

Last Ten Fiscal Years

Fiscal Year	Expenses	Enrollment (1)	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2003	89,337,590	13,685	6,528	2.51%	694	19.72
2004	93,906,845	13,669	6,870	5.24%	709	19.28
2005	98,535,782	14,088	6,994	1.81%	712	19.79
2006	105,894,711	14,418	7,345	5.01%	726	19.86
2007	114,047,142	14,559	7,833	6.66%	740	19.67
2008	121,735,089	14,703	8,280	5.70%	746	19.71
2009	132,375,222	14,589	9,074	9.59%	750	19.45
2010	132,504,650	14,482	9,150	0.84%	738	19.62
2011	134,756,391	14,363	9,382	2.54%	741	19.38
2012	137,089,721	14,596	9,392	0.11%	727	20.08

Note 1: Average enrollment.

Note 2: Non-financial information provided by Auburn School District's Human Resources Department.

AUBURN SCHOOL DISTRICT NO. 408
CAPITAL ASSETS BY FUNCTION
Last Ten Fiscal Years

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
ADMINISTRATION	\$ 3,498,282	\$ 3,269,794	\$ 3,272,124	\$ 3,310,838	\$ 5,775,504	\$5,556,823	\$5,443,613	\$5,443,614	\$5,412,883	\$4,018,584
INSTRUCTION	275,217,081	273,495,653	272,378,412	271,063,449	267,604,508	265,043,340	246,289,474	225,789,163	174,625,532	174,367,867
CHILD NUTRITION SERVICES	273,215	273,215	273,215	273,215	273,215	273,215	273,215	273,215	267,479	244,365
PUPIL TRANSPORTATION	15,377,121	16,553,894	16,164,552	15,671,387	15,481,078	15,257,359	14,472,787	13,388,753	12,615,268	12,679,156
MAINTENANCE & OPERATIONS	6,837,669	6,843,540	6,857,253	6,849,589	6,850,842	6,818,927	6,789,909	6,755,498	6,735,480	6,744,789
OTHER SERVICES	942,429	948,743	1,579,738	1,604,698	1,371,177	1,232,897	1,160,367	1,107,725	1,107,725	881,627
CONSTRUCTION IN PROGRESS	40,229,691	30,653,154	21,932,371	17,997,894	8,479,526	1,557,764	5,061,919	8,308,369	39,831,275	16,580,881
TOTAL	<u>\$342,375,488</u>	<u>\$332,037,993</u>	<u>\$322,457,665</u>	<u>\$316,771,070</u>	<u>\$305,835,850</u>	<u>\$295,740,325</u>	<u>\$279,491,284</u>	<u>\$261,066,337</u>	<u>\$240,595,642</u>	<u>\$215,517,269</u>

Note 1: Source of data is the Auburn School District Financial Statements.

AUBURN SCHOOL DISTRICT #408
SCHEDULE OF SCHOOL BUILDINGS GRADE SPAN, ENROLLMENT, AGE AND SIZE
AUGUST 31, 2012

SCHOOL	LOCATION	Grade Span	Enrollment October 1	Date of Original Construction	Site Size (Acres)	Gross Building Area (SF)
SENIOR HIGH SCHOOLS						
Auburn	800 4th Street N.E.	9-12	1,600	1950	19.34	278,323
Auburn Riverside	501 Oravetz Rd	9-12	1,673	1995	35.32	186,612
Auburn Mountainview	28900 124th Ave SE	9-12	1,502	2005	39.42	195,280
West Auburn	401 West Main Street	9-12	217	1990	5.26	30,295
MIDDLE SCHOOLS						
Cascade	1015 24th Street NE	6-8	731	1967	16.94	90,421
Mt. Baker	620 37th Street SE	6-8	907	1994	28.98	91,227
Olympic	1825 "K" Street SE	6-8	684	1957	17.40	99,467
Rainier	30620 116th Ave. SE	6-8	819	1991	25.54	91,759
ELEMENTARY SCHOOLS						
Alpac	310 Milwaukee Blvd N.	K-5	446	1972	10.68	48,036
Arthur Jacobsen	29205 132nd St SE	K-5	442	2007	10.02	56,616
Chinook	3502 Auburn Way S.	K-5	316	1963	10.99	43,214
Dick Scobee	1031 14th Street NE	K-5	449	1954	8.90	62,669
Evergreen Heights	5602 So 316th	K-5	433	1970	10.10	43,961
Gildo Rey	1005 37th Street SE	K-5	437	1969	10.05	52,302
Hazelwood	11815 SE 304th Street	K-5	578	1990	13.08	54,904
Ilalko	301 Oravetz Pl SE	K-5	502	1992	14.22	54,728
Lake View	16401 SE 318th	K-5	341	1980	16.48	54,052
Lakeland Hills	1020 Evergreen Way SE	K-5	631	2006	12.00	54,872
Lea Hill	30908 124th Ave. SE	K-5	338	1965	20.24	42,061
Pioneer	2301 "M" Street SE	K-5	457	1959	8.41	41,173
Terminal Park	1101 "D" Street SE	K-5	415	1945	6.09	38,744
Washington	20 "E" Street NE	K-5	445	1972	5.33	45,238

Note 1: Souce of data is the Auburn School District Capital Projects Department.

AUBURN SCHOOL DISTRICT NO. 408
MISCELLANEOUS STATISTICS

LOCATION

Auburn School District No. 408, a political subdivision of the State of Washington, is located in south King County, about 25 miles south of Seattle and 10 miles northeast of Tacoma. It is approximately 62 square miles and includes the cities of Auburn, Algona, Pacific and unincorporated King and Pierce Counties.

SCHOOLS

Number of elementary schools	Grades K-5	14
Number of middle schools	Grades 6-8	4
Number of senior high schools	Grades 9-12	4
Total		22

HISTORICAL AND PROJECTED HEADCOUNT ENROLLMENT

As of October 1	Grades K-5	Grades 6-8	Grades 9-12	Total
2018 Projected	7,338	3,494	5,122	15,954
2017 Projected	7,216	3,456	5,199	15,871
2016 Projected	7,063	3,367	5,124	15,554
2015 Projected	6,914	3,310	4,923	15,147
2014 Projected	6,814	3,196	4,910	14,920
2013 Projected	6,631	3,214	4,816	14,661
2012 Actual	6,489	3,144	4,963	14,596
2011 Actual	6,230	3,141	4,992	14,363
2010 Actual	6,208	3,213	5,061	14,482
2009 Actual	6,159	3,196	5,234	14,589
2008 Actual	6,198	3,206	5,299	14,703
2007 Actual	6,142	3,097	5,320	14,559
2006 Actual	6,033	3,144	5,241	14,418
2005 Actual	5,887	3,169	5,032	14,088
2004 Actual	5,735	3,274	4,660	13,669
2003 Actual	5,773	3,294	4,618	13,685

STAFF CHARACTERISTICS

The District currently has approximately 1,710 full-time and part-time employees, which includes 943 certificated and 767 classified employees. The majority of the employees who are eligible under State law to be represented by a labor organization are employed under provision of negotiated contracts with the formally recognized collective bargaining units.

MISCELLANEOUS STATISTICS

(Concluded)

BARGAINING AGREEMENTS

The district enters into written bargaining agreements with each of the bargaining organizations. The agreements contain provisions on salaries, vacation, sick leave, health insurance, working conditions and grievance procedures. The district strives to complete agreements with all groups in a timely manner, consistent with all applicable state laws, to ensure equity in contract provisions, and promote labor relation policies mutually beneficial to management, employees, and the educational program. District employee bargaining organizations and their respective contract expirations are described below:

Bargaining Unit	Employees	Contract Expiration Date
Auburn Education Association	890	August 31, 2013
Classified Administrators/Professional Technical	46	August 31, 2015
Auburn Association of Educational Office Personnel	91	August 31, 2013
Auburn Association of Automotive Machinists	7	August 31, 2016
Public School Employees of Auburn	490	August 31, 2015
PSEA - Transportation	86	August 31, 2016
Auburn Association of Washington School Principals	36	August 31, 2014

ADMINISTRATION

The policies of the district are established by an elected five-member board of directors. School directors serve staggered four-year terms and are elected as representatives from specific geographic areas of the district. The board appoints the superintendent.