

Financial Section

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Washington State Auditor Troy Kelley

INDEPENDENT AUDITOR'S REPORT

March 24, 2014

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, 2013, and the related notes to the financial statements, 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, 2013, 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.

Matters of Emphasis

As described in Note 1, during the year ended August 31, 2013, the District has implemented the Governmental Accounting Standards Board Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 23, budgetary comparison information on pages 60 through 61 and information on postemployment benefits other than pensions on page 62 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying information listed as Supplemental Data on pages 64 through 94 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 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 24, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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, 2013.

FINANCIAL HIGHLIGHTS

- The district's net position of governmental activities as of August 31, 2013 was \$211,748,822.
- During the year, the district had revenues that were \$10.2 million greater than the \$156.4 million in expenses incurred for all governmental activities, resulting in a corresponding increase in the district's net position.
- The general fund expenditures exceeded revenues by \$88 thousand.
- 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 \$30.6 million in State matching funds.
- 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, in the amount of \$65 million, represented the first series of bonds issued under the \$110 million bond authorization described above. The balance of the sale advance refunded \$20 million of the 2005 bonds. The total net savings for the refunding had a net present value of \$2,601,687.
- On February 7, 2014, the district completed the sale of \$43,555,000 in unlimited tax general obligation and refunding bonds at a premium of \$5,244,996. The new money portion of the bonds of \$45 million was the second and last series of bonds issued under the \$100 million Auburn High School Modernization and Reconstruction Bond Issue described above. The balance of the sale advance refunded \$3,390,000 of the 2004 bonds. The total net savings for the refunding had a net present value of \$232,681.
- On February 11, 2014, Auburn voters approved a \$22 million technology replacement levy. The technology levy is a six-year levy and replaces the 2005 technology. The projected tax rate will remain approximately level at \$6.60 per thousand of assessed valuation. It provides funding to implement recommendations from the 2013 Technology Citizens Ad Hoc Committee. The technology recommendations include:
 - Providing 24/7 access to electronic resources for students, parents and teachers that allow for differentiation of learning, programs and support
 - Providing 1:1 student digital devices like computer tablets
 - Wireless access in all buildings
 - A robust broadband infrastructure to support varied learning structures.

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

The statement of activities presents information showing how the district's net position changed during the most recent fiscal year. All changes in net position 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 position and changes in fiduciary net position* 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 POSITION

Net position may serve as a useful indicator of the district's financial health. Auburn School District's assets exceeded liabilities by \$211,748,822 at the end of the fiscal year, August 31, 2013.

Approximately 46% of net position or \$98 million is the investment in capital assets such as land, buildings and equipment less any related outstanding debt used to acquire those assets. Another 28.5 % of net position or \$60 million is restricted primarily for the construction or modernization of Auburn High School. Committed funds of \$11 million are for the improvement of district facilities and technology upgrades provided by six year capital and technology special levies. Almost all of the assigned funds of \$15 million are earmarked for capital projects from unrestricted funds. The district continues to modernize various schools to meet student needs. These assets are not available for the general operations and maintenance of district educational programs.

The increase in total net position for the year was \$10,159,388. Key elements of this increase are as follows:

Auburn School District's Net Position			
August 31, 2013 and 2012			
	Governmental Activities		
	2013	2012	Change
Current and other assets	\$ 133,912,252	\$ 73,566,857	\$ 60,345,395
Capital assets	255,403,345	235,859,457	19,543,888
Total assets	<u>389,315,597</u>	<u>309,426,314</u>	<u>79,889,283</u>
Deferred charges on refunding	5,486,845	-	5,486,845
Total deferred outflows of resources	<u>5,486,845</u>	<u>-</u>	<u>5,486,845</u>
Other liabilities	11,334,187	6,117,423	5,216,764
Long-term debt outstanding	171,719,433	101,719,457	69,999,976
Total liabilities	<u>183,053,620</u>	<u>107,836,880</u>	<u>75,216,740</u>
Net Position			-
Net investment in capital assets	98,111,436	146,736,281	(48,624,845)
Nonspendable fund balance - inventories	608,494	639,162	(30,668)
Restricted	60,271,048	6,039,575	54,231,473
Committed	11,440,578	9,234,376	2,206,202
Assigned	15,178,307	15,670,827	(492,520)
Unrestricted	26,138,959	23,269,213	2,869,746
Total Net Position	<u><u>\$ 211,748,822</u></u>	<u><u>\$ 201,589,434</u></u>	<u><u>\$ 10,159,388</u></u>

STATEMENT OF ACTIVITIES

Governmental activities improved the district’s overall financial position, increasing the district’s net position by \$10,159,388. Key elements of the increase are as follows:

AUBURN SCHOOL DISTRICT'S Changes in Net Position			
Governmental Activities			
For the Fiscal Years Ended August 31, 2013 and 2012			
<u>Revenues</u>	2013	2012	Changes
Program Revenues			
Charges for services	\$ 5,360,933	\$ 5,403,153	\$ (42,220)
Operating grants and contributions	29,228,342	28,342,502	885,840
Capital grants and contributions	3,285,049	3,204,811	80,238
General revenues			
Property taxes for levies for educational programs	30,035,083	29,863,934	171,149
Property taxes for levies for debt service	21,088,854	7,750,422	13,338,432
Property taxes for levies for capital improvements and technology	-	10,158,388	(10,158,388)
Unallocated state apportionment and other	77,097,942	74,884,134	2,213,808
Interest and investment earnings	453,034	288,206	164,828
Total Revenues	<u>166,549,237</u>	<u>159,895,550</u>	<u>6,653,687</u>
<u>Expenses</u>			
Regular instruction	85,613,739	85,774,558	(160,819)
Special instruction	18,024,523	17,423,833	600,690
Vocational instruction	6,096,345	5,855,583	240,762
Compensatory education	8,459,882	8,267,625	192,257
Other instructional programs	1,120,919	1,075,753	45,166
Community services	914,699	916,705	(2,006)
Support services	17,048,706	16,454,457	594,249
Child nutrition services	5,380,045	5,114,428	265,617
Pupil transportation services	6,365,436	6,527,948	(162,512)
Extracurricular activities (ASB)	2,320,959	2,198,599	122,360
Interest on long-term debt	4,405,019	3,528,817	876,202
Bond issuance costs	639,577	-	639,577
Total Expenses	<u>156,389,849</u>	<u>153,138,306</u>	<u>3,251,543</u>
Increase (decrease) in Net Position	10,159,388	6,757,244	3,402,144
Beginning Net Position	201,589,434	194,832,190	6,757,244
Ending Net Position	<u>\$ 211,748,822</u>	<u>\$ 201,589,434</u>	<u>\$ 10,159,388</u>

The largest revenue increase of \$13.3 million was for property taxes levied to meet the increased principal and interest requirements for the \$78.8 million January bond issue. The debt service levy for calendar year 2013 was \$16,809,000 compared to the 2012 levy of \$8 million and the

2011 levy of \$8 million. The differences between the calendar levy year and the district accounting fiscal year as well as the differences between accrual and cash basis accounting generated the increase in property tax revenue for debt service. The new bond issue was also the cause of the increase of \$876,202 in interest and \$387,347 of the bond issuance costs. In addition, the district also expensed all prior year deferred bond issuance costs of \$252,230 in accordance with the change in accounting treatment required by the Governmental Accounting Standards Board (GASB) Pronouncement Number 65.

The largest revenue decrease of slightly over \$10 million for levies for capital improvements and technology was the result of the decrease in levy amount. As already indicated, the district is seeking voter approval to replace the technology levy with one for \$22 million that will be collected over six years. The capital projects levy for calendar year 2013 was \$3.9 million compared to the 2012 levy of \$11.7 million and the 2011 levy of \$13.9 million. As was the case for the debt service levies, the differences between the calendar levy year and the district fiscal year as well as the differences between accrual and cash basis accounting account for the lack of accrual revenue for fiscal 2013.

State allocations of revenue increased over \$2.2 million for the fiscal year due to an increase in student enrollment. Operating grants and contributions increased by \$885,840. Approximately half of the increase was due to safety net funds from the state to offset the above average costs of some special needs students. The balance of the increase was due to the increased participation in the USDA free and reduced breakfast and lunch 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 \$93,468,852, an increase of \$55,357,138 over the prior year combined fund balance of \$38,111,714. This change is primarily the result of the January bond sale of \$78,855,000 which increased cash at fiscal year in the capital projects fund by over \$54 million and in the debt service fund by almost \$6 million.

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.

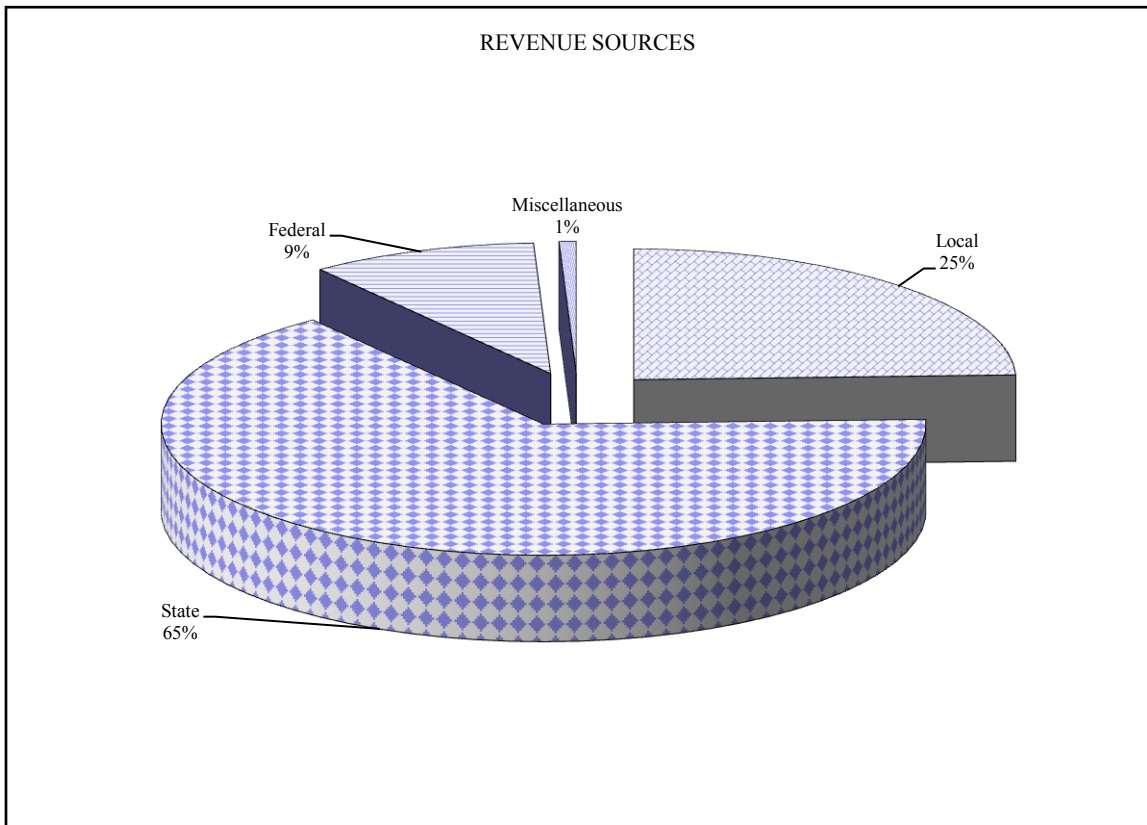
GENERAL FUND REVENUES

Revenues for the General Fund totaled \$139,916,193 in the fiscal year ending August 31, 2013. This was \$4,110,507 or 3.03% 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 25% of total revenues. Federal grants provide just over 9% of revenue.

GENERAL FUND REVENUES

<u>Revenue Source</u>	2012-13	2011-12	Increase (Decrease) Amount	Increase (Decrease) Percent
Local Taxes & Non-taxes	\$ 35,347,175	\$ 33,160,352	\$ 2,186,823	6.59%
State Revenues	91,079,053	88,627,797	2,451,256	2.77%
Federal Revenues	12,847,767	13,042,232	(194,465)	-1.49%
Other Revenues	642,198	975,305	(333,107)	-34.15%
Totals	<u>\$ 139,916,193</u>	<u>\$ 135,805,686</u>	<u>\$ 4,110,507</u>	3.03%

The increase of \$2,186,823 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 2013 levy was \$30,850,222 compared to the 2012 levy of \$30,317,828 and the 2011 levy of \$29,400,000. State revenue grew by \$2,451,256 compared to the prior year primarily due to increased enrollment. Federal revenues decreased slightly by \$194,465 primarily due to the expiration of the American Recovery and Reinvestment Act (ARRA) federal stimulus grants. Other revenues decreased by \$333,107 due to decreased reimbursement from Dieringer School district for fewer Dieringer high school students attending district high schools.



GENERAL FUND EXPENDITURES

Expenditures in the General Fund totaled \$140,007,694 for the fiscal year. This represents an increase of \$2,917,973 or 2.13% over the prior year.

<u>GENERAL FUND EXPENDITURES</u>	2012-13	2011-12	Increase (Decrease) Amount	Increase (Decrease) Percent
Current				
Regular Instruction	\$ 79,857,005	\$ 78,528,993	\$ 1,328,012	1.69%
Special Education	16,953,174	16,643,184	309,990	1.86%
Vocational Instruction	5,764,317	5,475,188	289,129	5.28%
Compensatory Education	7,982,400	7,715,152	267,248	3.46%
Other Instructional Programs	1,102,048	1,006,558	95,490	9.49%
Community Services	926,726	902,401	24,325	2.70%
Support Services	16,075,261	15,959,864	115,397	0.72%
Child Nutrition Services	5,080,155	5,053,335	26,820	0.53%
Pupil Transportation Services	6,029,994	5,702,805	327,189	5.74%
Capital Outlay				
Equipment	236,614	102,241	134,373	131.43%
Totals	\$ 140,007,694	\$ 137,089,721	\$ 2,917,973	2.13%

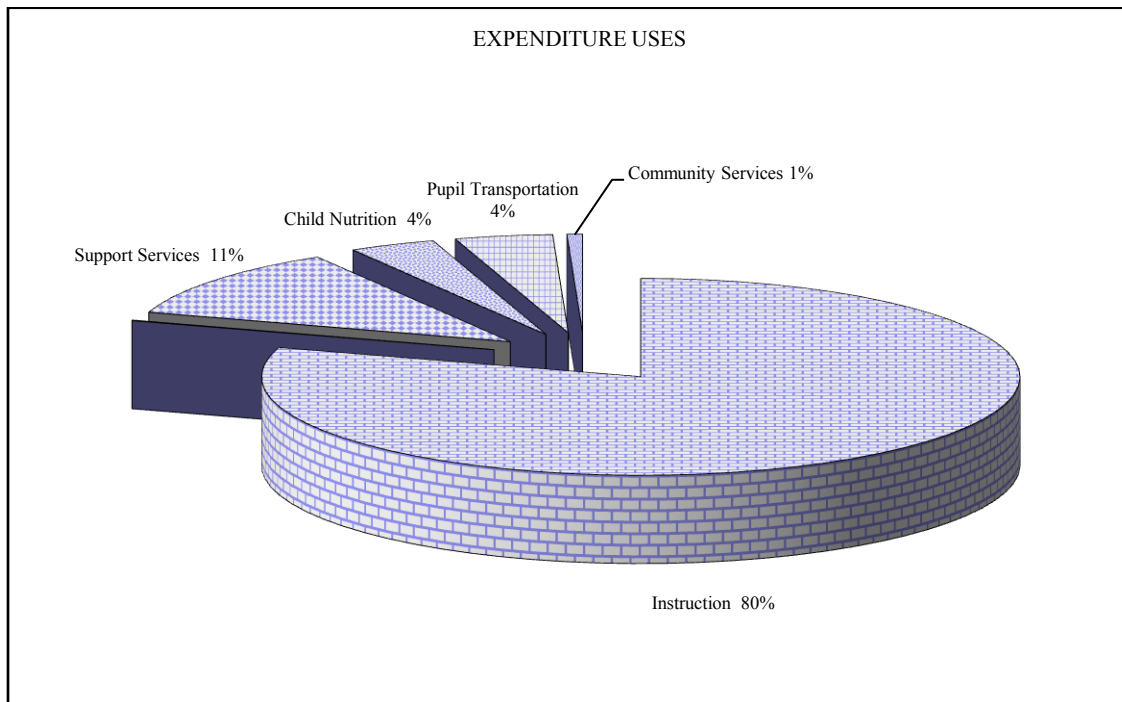
Increases of \$1.3 million in state funded regular instructional expenditures, \$309,990 in special education instructional expenditures and \$289,129 in vocational instruction were the result of increased student enrollments. Vocational programs otherwise known as Career and Technical Education programs were expanded to include seventh and eighth grade students thereby increasing enrollment for these programs over the prior year.

Compensatory education expenditures increased by \$267,248 due to increased federal dollars for Title I programs and increased state dollars for the state counterpart of Title I known as Learning Assistance (LAP). In addition, a continuing growing enrollment of students for whom English is not their first language generated additional state assistance to meet their educational needs.

Other instructional program expenditures increased by 9.49% primarily due to the grant expenditures of \$291,000 funded by the Gates Foundation for early learning programs. The balance of this \$500,000 grant will be expended in fiscal 2014. These expenditures were offset in fiscal 2013 by the expiration of the Communities Putting Prevention to Grant award to reduce childhood obesity.

Pupil Transportation costs increased by 5.74% or \$327,189 during the year. Approximately 68% of the increase or \$221,000 was due to increased salary and benefits for more bus drivers to transport more students than the prior year. The balance of the increase was primarily due to reclassifying the cost of crossing guards to pupil transportation from regular instruction expenditures.

Capital Outlay expenditures more than doubled compared to the prior year from \$102,241 to \$236,614. Approximately 85% of the increase or \$113,941 was for the installation of playground equipment at Chinook Elementary School and Washington Elementary School. Both schools won grant funds from King County for this new equipment. The balance of the expenditure increase was for Child Nutrition Services new van.



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 2012-13 budget adopted by the Board of Directors for the district totaled \$252,714,235 including General Fund appropriations of \$143,182,856, Special Revenue Fund (ASB) appropriations of \$3,942,879, Debt Service Fund appropriations of \$6,985,000, Capital Projects Fund appropriations of \$96,300,000 and Transportation Vehicle Fund appropriations totaling \$2,303,500.

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

- Total actual general fund revenues were \$1,338,464 more than budgeted. Almost all of that increase was due to greater state allocations for educational services for a larger than expected student enrollment. Over \$500,000 was from state general purpose allocations and over \$827,000 was from state specific purpose allocations for special education, transitional bilingual education, learning assistance programs and transportation. An increase of \$215,556 in property taxes was offset by a decrease of \$366,032 in local grants, fees and sales of goods and services. While anticipated local grants and vocational sales of goods and services were less than expected, the district did receive more in E-Rate funds compared to the prior year. Federal grants were \$472,046 more than projected. These additional federal grant revenues included grants for special education, the USDA breakfast and lunch program, and the Title I program.
- Expenditures of \$143,182,856 were \$3,175,162 less than the budgeted as a result of several cost saving initiatives. Of these initiatives, energy audits and conservation programs instituted by the district maintenance department produced utility expenditures approximately \$1 million below budget. Through careful monitoring of food and labor costs, the Child Nutrition Services Department was able to shave expenses to almost \$330,000 less than budget. The drop in the price of fuel as well as careful management

of bus repair costs enabled the Pupil Transportation Department to expend almost \$300,000 less than budgeted. In addition, local grant program expenditures were almost \$1.2 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 \$1,280,137 more than projected. This was primarily because school impact fees exceeded projections due to a late summer surge of home building.
- Expenditures that were \$70,259,621 million less than budgeted because the Auburn High School Reconstruction and Modernization project was still in the early stages of construction.

Revenues were less than projected in the Associated Study Body Fund by approximately \$1.7 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.

Transportation Vehicle expenditures were \$1,383,537 less than projected due to delayed plans to replace aging buses.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The District's investment in capital assets for its governmental type activities as of August 31, 2013 amounted to \$255,403,345 (net of accumulated depreciation of \$112,266,731). This investment in capital assets includes land, buildings, land and building improvements, furniture and equipment.

During the fiscal year, \$9,966,369 was added to buildings for improvements that met the capitalization policy of \$100,000, \$1,462,859 was added to equipment that met the capitalization policy of \$5,000 per unit, and \$14,409,236 was added to construction in progress primarily for future school sites, modernization projects and the reconstruction of Auburn High School. Surplused equipment that originally cost \$212,065 and a building improvement that originally cost \$331,811 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	271,361,442	(99,053,854)	172,307,588
Equipment	18,679,098	(13,212,877)	5,466,221
Construction In Progress	54,638,927	-	54,638,927
Total	\$ 367,670,076	\$ (112,266,731)	\$ 255,403,345

DEBT ADMINISTRATION

At the end of the current fiscal year, the district had \$143,695,000 in unlimited general obligation bonds outstanding. This debt is secured by a pledge of the full faith and credit of the district. \$12,780,000 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, 2013, the maximum GO debt authorized by statutory limit was \$389.3 million. The district had \$143.7 million of debt outstanding at August 31, 2013, that was subject to that limitation. With almost \$8 million of assets in the Debt Service Fund available for payment of principal, there is a legal debt margin of \$253.6 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 2013-14 appropriations for governmental funds of the district were approved at \$255,221,886. For calendar year 2013, the total property tax rate for special levies was \$6.62 per \$1,000 of assessed property value. The projected rate for 2014 is also expected to be \$6.62 per \$1,000 of assessed value. Total assessed value declined by 4.42% from \$8.15 billion to \$7.79 billion during 2013. For 2014 the projected assessed valuation is \$8.3 billion, an increase of 6.8% over 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 2014 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 6.8% in 2012 to 5.2% in 2013. 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 6.3% of assessed valuation. Other major employers include the Auburn School District, the Muckleshoot Tribal Casino, Multicare Auburn Regional Medical Center, Green River Community College, Emerald Downs Racetrack, the Social Security Administration, the Federal Aviation Administration and The Outlet Collection. In 1990, Boeing accounted for 71% of all jobs in the City of Auburn. Today, Boeing jobs account for only 12% 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.

According to the City of Auburn, the city has experienced an increase in new businesses and development activity. One such business is the Coastal Farm and Ranch store, a 124,000 square foot retail store that provides a variety of products and services for farmers, ranchers and homeowners. The retail outlet opened in the old Walmart store after spending \$20 million to remodel the building. Other significant projects include the following:

- The Outlet Collection Seattle, formerly known as the SuperMall of the Great Northwest recently completed \$35 million in interior and exterior improvements and added 1,000 new jobs. It is now the largest indoor outlet mall in the Pacific Northwest. It has increased the number of stores to over 130 world-class outlets that are favorite regional and national brands such as the Nike Factory, Chico's, Sketchers, Coach Factory Outlet,

Victoria's Secret, Bath and Body Works, Levi's Outlet, Brooks Brothers, J. Crew's Factory Store and Nordstrom's.

- Auburn Junction is a six-block downtown redevelopment district near the Transit Station. There are currently three projects underway in the district to provide mixed-use residential and retail uses. City officials estimate the new developments will bring 300-500 new residents to the downtown core and more than 20,000 square feet of retail space. The developers' plans call for a combination of market-rate multifamily housing, high end apartments, senior housing, ground-floor commercial space and a covered parking garage.
- The Robertson Property Group (RPG) is turning a former drive-in movie complex into a 70-acre multi-phased, mixed-use residential and retail development. When completed, 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.
- Construction of the new Franciscan Medical Pavilion has just been completed. The two-story 38,000 square foot mixed use building will be providing space for primary care as well as specialty cardiology, vascular surgery, endocrinological and general surgical medical care services.
- The regional Hospital Cooperative Services Administration is constructing a \$26 million laundry facility that will bring 185 living wages jobs to Auburn.

As these new businesses and developments take hold, they will serve to strengthen the City's economic foundation.

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 Position 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 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 POSITION
August 31, 2013

	Note #	Primary Government Governmental Activities
ASSETS		
Cash and cash equivalents	1.E.1 and 2	\$ 100,777,818
Property tax receivable	1.E.2	30,389,439
Receivables, net	1.E.3	649,989
Due from other governments	1.E.5	1,486,512
Inventories	1.E.6	608,494
Capital assets, not being depreciated		
Land	4	\$ 22,990,609
Construction-in-progress	5	\$ 54,638,927
Total capital assets, not being depreciated		77,629,536
Capital assets, being depreciated		
Buildings and improvements	4	271,361,442
Equipment	4	18,679,098
Total capital assets, being depreciated		290,040,540
Less accumulated depreciation	4	(112,266,731)
Total capital assets, net of accumulated depreciation		177,773,809
Capital assets, net of accumulated depreciation		255,403,345
TOTAL ASSETS		389,315,597
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding		5,486,845
TOTAL DEFERED OUTFLOWS OF RESOURCES		5,486,845
LIABILITIES		
Accounts payable		7,650,619
Accrued wages and benefits payable		1,643,008
Due to other governments		161,192
Accrued interest		1,280,226
Unearned revenue	1.E.9	599,142
Long-Term liabilities		
Due within one year	8	14,052,786
Due in more than one year		157,666,647
TOTAL LIABILITIES		183,053,620
NET POSITION		
Net investment in capital assets		98,111,436
Nonspendable: inventories		608,494
Restricted for:		
Child nutrition services		1,411,784
Student activities		1,365,461
Debt service		7,970,059
Capital projects		48,107,668
Acquisition of school buses		1,416,076
Committed for capital levy projects		11,440,578
Assigned for:		
Other capital projects		13,078,307
Contingencies		2,100,000
Unrestricted		26,138,959
TOTAL NET POSITION		\$ 211,748,822

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, 2013

Functions/Programs	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	PRIMARY GOVERNMENT
					Governmental Activities
Primary Government:					
Governmental Activities:					
Regular Instruction	\$ 85,613,739	\$ 690,619	\$ -	\$ 2,569,545	\$ (82,353,575)
Special Instruction	18,024,523	-	11,833,238	-	(6,191,285)
Vocational Instruction	6,096,345	368,020	105,156	-	(5,623,169)
Compensatory Education	8,459,882	-	8,255,392	-	(204,490)
Other Instructional Programs	1,120,919	5,602	1,189,101	-	73,784
Community Services	914,699	601,002	-	-	(313,697)
Support Services	17,048,706	283,128	-	-	(16,765,578)
Child Nutrition Services	5,380,045	1,165,329	5,078,625	-	863,909
Pupil Transportation Services	6,365,436	-	2,766,830	715,504	(2,883,102)
Extracurricular Activities (ASB)	2,320,959	2,247,233	-	-	(73,726)
Interest Expense on Long-Term Debt	4,405,019	-	-	-	(4,405,019)
Bond Issuance Costs	639,577	-	-	-	(639,577)
Total Governmental Activities	\$ 156,389,849	\$ 5,360,933	\$ 29,228,342	\$ 3,285,049	\$ (118,515,525)

General Revenues:

Taxes:

Property taxes, levies for educational and other programs	30,035,083
Property taxes, levies for debt service	21,088,854
Unallocated State Apportionment & Others	77,097,942
Interest and Investment earnings	453,034

Total General Revenues and Special Items**128,674,913****Changes in Net Position****10,159,388****Net Position - Beginning****201,589,434****Net Position - Ending****\$ 211,748,822**

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
BALANCE SHEET
GOVERNMENTAL FUNDS
August 31, 2013

	GENERAL FUND	SPECIAL REVENUE FUND (ASB)	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANSPORTATION VEHICLE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:						
Cash and Cash Equivalents	\$ 10,786,939	\$ 1,651,487	\$ 7,987,127	\$ 78,940,225	\$ 1,412,040	\$ 100,777,818
Property Tax Receivable	15,452,107	-	8,291,204	2,102,019	138	25,845,468
Accounts Receivable, Net	602,973	-	-	-	-	602,973
Interest Receivable	6,740	856	3,455	35,331	634	47,016
Interfund Receivable	2,642	-	-	3,442	5,266	11,350
Due From Other Government Units	1,102,585	-	-	383,927	-	1,486,512
Inventories at Cost	604,218	4,276	-	-	-	608,494
TOTAL ASSETS	28,558,204	1,656,619	16,281,786	81,464,944	1,418,078	129,379,631
LIABILITIES:						
Accounts Payable	926,099	38,532	20,523	6,665,465	-	7,650,619
Accrued Liabilities	1,643,008	-	-	-	-	1,643,008
Due to Other Governments	88,831	2,994	-	67,503	1,864	161,192
Interfund Payable	8,708	2,642	-	-	-	11,350
Unearned Revenue-Other	353,024	242,714	-	3,404	-	599,142
TOTAL LIABILITIES	3,019,670	286,882	20,523	6,736,372	1,864	10,065,311
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue-Property Taxes	15,452,107	-	8,291,204	2,102,019	138	25,845,468
TOTAL DEFERRED INFLOWS OF RESOURCES	15,452,107	-	8,291,204	2,102,019	138	25,845,468
FUND BALANCES:						
Nonspendable: Inventories	604,218	4,276	-	-	-	608,494
Restricted:						
Child Nutrition Federal Grant	1,411,784	-	-	-	-	1,411,784
Student Activities	-	1,365,461	-	-	-	1,365,461
Debt Service	-	-	7,970,059	-	-	7,970,059
Bond Issue Project	-	-	-	47,135,844	-	47,135,844
Impact Fee Projects	-	-	-	971,824	-	971,824
Acquisition of School Buses	-	-	-	-	1,416,076	1,416,076
Committed:						
Capital Levy Projects	-	-	-	9,660,348	-	9,660,348
Technology Levy Projects	-	-	-	1,780,230	-	1,780,230
Assigned:						
Other Capital Projects	-	-	-	13,078,307	-	13,078,307
Other Purposes	2,100,000	-	-	-	-	2,100,000
Unassigned	5,970,425	-	-	-	-	5,970,425
TOTAL FUND BALANCES	10,086,427	1,369,737	7,970,059	72,626,553	1,416,076	93,468,852
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 28,558,204	\$ 1,656,619	\$ 16,281,786	\$ 81,464,944	\$ 1,418,078	\$ 129,379,631

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

AUBURN SCHOOL DISTRICT NO. 408
RECONCILIATION
BALANCE SHEET WITH THE STATEMENT OF NET POSITION
August 31, 2013

	Total Governmental Funds	Long-Term Assets, Liabilities *	Reclassifications and Eliminations*	Statement of Net Position Totals
ASSETS				
Cash and Cash Equivalents	\$ 100,777,818	\$ -	\$ -	\$ 100,777,818
Property Tax Receivable	25,845,468	4,543,971	-	30,389,439
Receivables, Net	602,973	-	-	602,973
Interest Receivable	47,016	-	-	47,016
Interfund Receivable	11,350	-	(11,350)	-
Due from Other Governments	1,486,512	-	-	1,486,512
Inventories	608,494	-	-	608,494
Capital Assets, Net	-	255,403,345	-	255,403,345
TOTAL ASSETS	129,379,631	259,947,316	(11,350)	389,315,597
LIABILITIES				
Accounts Payable	7,650,619	-	-	7,650,619
Accrued Liabilities	1,643,008	-	-	1,643,008
Due to Other Governments	161,192	-	-	161,192
Interfund Payable	11,350	-	(11,350)	-
Accrued Interest	-	1,280,226	-	1,280,226
Unearned Revenue-Other	599,142	-	-	599,142
Long-Term Liabilities	-	166,232,588	-	166,232,588
TOTAL LIABILITIES	10,065,311	167,512,814	(11,350)	177,566,775
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue-Property Taxes	25,845,468	(25,845,468)	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	25,845,468	(25,845,468)	-	-
FUND BALANCES				
Total Fund Balances	93,468,852	118,279,970	-	211,748,822
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 129,379,631	\$ 259,947,316	\$ (11,350)	\$ 389,315,597

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, 2013

	GENERAL FUND	SPECIAL REVENUE FUND (ASB)	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANSPORTATION VEHICLE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Local Taxes	\$ 30,474,516	\$ -	\$ 12,494,255	\$ 7,673,513	\$ 91	\$ 50,642,375
Local Non-Tax	4,872,659	2,257,619	84,983	2,909,852	6,900	10,132,013
State, General Purpose	75,041,752	-	-	-	-	75,041,752
State, Special Purpose	16,037,301	-	-	-	715,503	16,752,804
Federal, General Purpose	29,742	-	-	-	-	29,742
Federal, Special Purpose	12,818,025	-	-	-	-	12,818,025
Revenues From Other Sources	642,198	-	-	-	-	642,198
TOTAL REVENUES	139,916,193	2,257,619	12,579,238	10,583,365	722,494	166,058,909
EXPENDITURES						
Current:						
Regular Instruction	79,857,005	-	-	-	-	79,857,005
Special Instruction	16,953,174	-	-	-	-	16,953,174
Vocational Instruction	5,764,317	-	-	-	-	5,764,317
Compensatory Education	7,982,400	-	-	-	-	7,982,400
Other Educational Programs	1,102,048	-	-	-	-	1,102,048
Community Services	926,726	-	-	-	-	926,726
Support Services	16,075,261	-	-	-	-	16,075,261
Child Nutrition Services	5,080,155	-	-	-	-	5,080,155
Pupil Transportation Services	6,029,994	-	-	-	-	6,029,994
Extracurricular Activities (ASB)	-	2,320,959	-	-	-	2,320,959
Debt Service:						
Principal	-	-	2,285,000	-	-	2,285,000
Interest and Other Charges	-	-	4,373,575	-	-	4,373,575
Bond Issuance Costs	-	-	109,668	277,679	-	387,347
Capital Outlay:						
Sites	-	-	-	884,288	-	884,288
Buildings	-	-	-	23,165,219	-	23,165,219
Equipment	236,614	-	-	1,620,199	966,544	2,823,357
Energy	-	-	-	92,994	-	92,994
TOTAL EXPENDITURES	140,007,694	2,320,959	6,768,243	26,040,379	966,544	176,103,819
Excess of Revenues Over (Under) Expenditures	(91,501)	(63,340)	5,810,995	(15,457,014)	(244,050)	(10,044,910)
OTHER FINANCING SOURCES (USES)						
Proceeds of Long-Term Debt	-	-	-	59,265,000	-	59,265,000
Issuance of Refunding Bonds	-	-	19,590,000	-	-	19,590,000
Issuance Premium	-	-	2,866,687	6,013,364	-	8,880,051
Payment to Refunded Bonds Escrow Agent	-	-	(22,341,769)	-	-	(22,341,769)
Sale of Equipment	3,500	-	-	-	5,266	8,766
TOTAL OTHER FINANCING SOURCES (USES)	3,500	-	114,918	65,278,364	5,266	65,402,048
NET CHANGE IN FUND BALANCE	(88,001)	(63,340)	5,925,913	49,821,350	(238,784)	55,357,138
Fund Balances - September 1	10,174,428	1,433,077	2,044,146	22,805,203	1,654,860	38,111,714
Fund Balances - August 31	\$ 10,086,427	\$ 1,369,737	\$ 7,970,059	\$ 72,626,553	\$ 1,416,076	\$ 93,468,852

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

AUBURN SCHOOL DISTRICT NO. 408

RECONCILIATION

Schedule 4A

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

August 31, 2013

STATEMENT OF ACTIVITIES

	Total Governmental Funds	Long-Term Revenue, Expenses *	Capital Related items *	Long-Term Debt Transactions *	Statement of Activities Totals
REVENUES AND OTHER SOURCES					
Property Taxes	\$ 50,642,375	\$ 481,562	\$ -	\$ -	\$ 51,123,937
Local Non-Taxes	10,132,013	-	8,766	-	10,140,779
State, General Purpose	75,041,752	-	-	-	75,041,752
State, Special Purpose	16,752,804	-	-	-	16,752,804
Federal, General Purpose	29,742	-	-	-	29,742
Federal, Special Purpose	12,818,025	-	-	-	12,818,025
Revenues From Other Sources	642,198	-	-	-	642,198
TOTAL	166,058,909	481,562	8,766	-	166,549,237
EXPENDITURES/EXPENSES					
Current:					
Regular Instruction	79,857,005	1,074,941	4,681,793	-	85,613,739
Special Instruction	16,953,174	309,076	762,273	-	18,024,523
Vocational Instruction	5,764,317	79,573	252,455	-	6,096,345
Compensatory Education	7,982,400	118,691	358,791	-	8,459,882
Other Instructional Programs	1,102,048	(72,974)	91,845	-	1,120,919
Community Services	926,726	(12,027)	-	-	914,699
Support Services	16,075,261	219,926	753,519	-	17,048,706
Child Nutrition Services	5,080,155	49,892	249,998	-	5,380,045
Pupil Transportation Services	6,029,994	64,146	271,296	-	6,365,436
Extracurricular Activities (ASB)	2,320,959	-	-	-	2,320,959
Debt Service:					
Principal	2,285,000	-	-	(2,285,000)	-
Interest and Other Charges	4,373,575	-	-	31,444	4,405,019
Bond Issuance Cost	387,347	-	-	252,230	639,577
Capital Outlay:					
Sites	884,288	-	(884,288)	-	-
Buildings	23,165,219	-	(23,165,219)	-	-
Equipment	2,823,357	-	(2,823,357)	-	-
Energy	92,994	-	(92,994)	-	-
TOTAL EXPENDITURES/EXPENSES	176,103,819	1,831,244	(19,543,888)	(2,001,326)	156,389,849
EXCESS OF REVENUES OVER UNDER EXPENDITURES	(10,044,910)	(1,349,682)	19,552,654	2,001,326	10,159,388
OTHER FINANCING SOURCES (USES)					
Proceeds of Long-Term Debt	59,265,000	-	-	(59,265,000)	-
Issuance of Refunding Bonds	19,590,000	-	-	(19,590,000)	-
Issuance Premium	8,880,051	-	-	(8,880,051)	-
Payment to Refunded Bond Escrow Agent	(22,341,769)	-	-	22,341,769	-
Sale of Equipment	8,766	-	(8,766)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	65,402,048	-	(8,766)	(65,393,282)	-
NET CHANGE FOR THE YEAR	\$ 55,357,138	\$ (1,349,682)	\$ 19,543,888	\$ (63,391,956)	\$ 10,159,388

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 dcg]]h]cbg and changes in net dcg]]h]cbg.

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 FIDUCIARY NET POSITION
August 31, 2013

	Private Purpose Trust Fund	Employee Benefit Trust Fund
ASSETS		
Cash and Cash Equivalents	\$ 586,836	\$ 51,371
Due From Other Funds	-	122
Interest Receivable	376	32
TOTAL ASSETS	\$ 587,212	51,525
LIABILITIES		
Accounts Payable	3,234	7,507
TOTAL LIABILITIES	3,234	7,507
NET POSITION		
Held in Trusts for Scholarships and Student Aid	583,978	-
Held in Trust for Member Benefits	-	44,018
NET POSITION	\$ 583,978	\$ 44,018

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 FIDUCIARY NET POSITION
For the Fiscal Year Ended August 31, 2013

	Private Purpose Trust Fund	Employee Benefit Trust Fund
ADDITIONS		
Donations	\$ 176,237	\$ -
Member Contributions	-	183,000
Investment Earnings	-	2,211
Total Additions	176,237	185,211
DEDUCTIONS		
Scholarships	165,371	-
Loss On Investments	414	-
Benefit Claims and Expenses	-	225,602
Total Deductions	165,785	225,602
Change in Net Position	10,452	(40,391)
Net Position, Beginning of the year	573,526	84,409
Net Position, End of the year	\$ 583,978	\$ 44,018

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, 2013

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 Position

The *Statement of Net Position* 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 position and changes in net position. 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.

D). 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 position 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 position* 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 POSITION 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, 2013, total district cash and cash equivalents were \$101,416,025. Of that amount, \$100,777,818 was in the governmental funds and \$638,207 was in the fiduciary funds. At August 31, 2013 total district imprest funds were \$81,071, total district cash on hand was \$12,869, total district warrants outstanding were \$2,193,328 and the fair market value of the districts funds in the King County Investment Pool was \$103,515,413. 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, 2013, such securities comprised 0.3% of the Pool's portfolio. As of August 31, 2013, the district's funds invested in the Pool comprised 2.26% 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 \$1,486,512 of receivables for federal grants of \$1,082,755, state grants of \$19,830 and local government impact fees of \$383,927. 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

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 Position. 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 Outflows/Inflows of Resources

The district has adopted the provisions of *GASB Statement No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and *GASB Statement No. 65 Items Previously Reported as Assets and Liabilities*. The objective of these statements is to enhance the usefulness of financial reporting as described below.

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The district only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

10). Net Position (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 Position” component reports the net position where constraints have been placed on net position 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 Position” 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. For funds other than the General Fund, the amount of residual fund balance that is spendable after all restrictions, commitments, and other assignments have been made is classified as assigned in accordance with the *Accounting Manual for Public School Districts for the State of Washington*.

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 Position*. 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, 2013 was \$2,097,497 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, 2013, vacation leave payable, estimated to be \$894,525 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 \$103,515,413, the warrants outstanding were \$2,193,328 and the petty cash, change funds and cash on hand totaled \$18,940. Total district cash and cash equivalents were \$101,416,025. Of this amount, \$100,777,817 were in governmental funds and \$638,208 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, 2013, the fair value of the district investment in the pool was \$103,515,413 with an effective duration of 1.45 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 decrease in fair value of the district's proportionate share of the King County Investment Pool for 2012-13 was \$381,287. This decrease has been recognized and reported against investment income.

Impaired Investments.

As of August 31, 2013, 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 \$263,782 and the District's fair value of these investments is \$155,765.

Interest Rate Risk.

As of August 31, 2013, the Pool's average duration was 1.45 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, 2013, the district's investment in the Pool was not rated by a nationally recognized statistical rating organization (NRSRO). In compliance with state statutes, 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.

Concentration Risk

Credit risk also can arise in the wake of a failure to adequately diversity investments. However since Pool investments are concentrated in U.S. government obligations and obligations explicitly guaranteed by the U.S. government, this risk is minimal.

NOTE 3. INTERFUND RECEIVABLES AND PAYABLES

As of August 31, 2013, 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	\$ 2,642	\$ 8,708
Capital Projects Fund	3,442	-
ASB Fund	-	2,642
Tran Vehicle	5,266	-
Total	\$ 11,350	\$ 11,350

The interfund balances are liquidated to zero 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 disbursed to the appropriate fund as soon as the receipts are reconciled to the daily deposit reports. Total funds disbursed from the General Fund were \$6,327,397. Of this amount \$205,102 was disbursed to Fiduciary Funds and \$6,122,295 was disbursed 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 \$316,181,134 on August 31, 2013. In the opinion of the district's insurance consultant, the amount is sufficient to adequately fund replacement of the district's assets.

	Balance 9/1/2012	Additions	Deletions	Balance 8/31/2013
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 22,990,609	\$ -	\$ -	\$ 22,990,609
Construction in progress	40,229,691	26,040,379	(11,631,143)	54,638,927
Total capital assets, not being depreciated	63,220,300	26,040,379	(11,631,143)	77,629,536
Capital assets, being depreciated:				
Buildings and improvements	261,607,138	9,966,369	(212,065)	271,361,442
Furniture and equipment	17,548,050	1,462,859	(331,811)	18,679,098
Total capital assets, being depreciated	279,155,188	11,429,228	(543,876)	290,040,540
Less: accumulated depreciation				
Buildings and improvements	(93,935,550)	(5,330,369)	212,065	(99,053,854)
Furniture and equipment	(12,580,481)	(964,207)	331,811	(13,212,877)
Total accumulated depreciation	(106,516,031)	(6,294,576)	543,876	(112,266,731)
Total capital assets, being depreciated, net	172,639,157	5,134,652	-	177,773,809
Governmental activities capital assets, net	\$ 235,859,457	\$ 31,175,031	\$ (11,631,143)	\$ 255,403,345

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. Decreases in buildings and improvements include the removal of improvements made for a special education program that the district no longer operates.

Depreciation

Depreciation expense was charged to governmental activities as follows:

Regular instruction	\$ 3,596,091
Special instruction	762,273
Vocational instruction	259,336
Compensatory education	358,791
Other instructional programs	91,271
Support services	725,136
Child Nutrition services	230,382
Transportation services	271,296
Total depreciation expense charged to governmental activities	<u><u>\$ 6,294,576</u></u>

NOTE 5. CONSTRUCTION IN PROGRESS

Project	Authorized	Expended	Committed
Auburn High School Modernization	\$ 60,000,000	\$ 23,932,008	\$ 36,067,992
Future School Sites	13,485,799	13,373,542	-
Future Middle School Site #5	8,493,737	8,493,737	-
Multi Facility Phase 2 Energy Improvements	3,707,609	3,707,609	-
Lakeview Elementary Improvements	2,074,410	2,074,410	-
Evergreen Heights and Ilalko Improvements	933,342	933,342	-
Multi-Facility Fiber Optic Project	621,798	621,798	-
Alpac Elementary Improvements	393,153	393,153	-
Secondary School HVAC Improvements	317,653	317,653	-
Auburn Mountainview High Improvements	285,372	285,372	60,983
Other Improvements	506,303	506,303	-
Total Construction in Progress	<u><u>\$ 90,819,176</u></u>	<u><u>\$ 54,638,927</u></u>	<u><u>\$ 36,128,975</u></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, 2012, it includes 74,902 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, 2012, it includes 181,105

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, 2012, it includes 62,478 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+

D.

Employee contribution rates as of August 31, 2013:

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, 2013:

Plan I TRS	8.05%	Plan I PERS	7.21%
Plan II TRS	8.05%	Plan II SERS	7.59%
Plan III TRS	8.05%	Plan III SERS	7.59%

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

Plan	2012-13	2011-12	2010-11
Plan I TRS	\$ 197,797	\$ 224,295	\$ 172,161
Plan II TRS	761,790	646,951	479,856
Plan III TRS	4,260,404	4,200,070	3,195,200
Plan I PERS	29,183	27,893	24,953
Plan II SERS	561,908	547,304	380,236

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, 2013, 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 monthly rates for pre-65 Medical coverage for 2013:

Descriptions	Type of Coverage			
	Non-Medicare Retiree	Non-Medicare Retiree & Spouse	Medicare Retiree	Medicare Retiree & Spouse
Group Health Classic	\$ 584.66	\$ 1,163.14	\$ 135.60	\$ 265.02
Group Health Value	535.22	1,064.26		
Group Health CDHP	513.77	1,018.40		
Kaiser Permanente Classic	567.06	1,127.94	151.67	297.16
Kaiser Permanente CDHP	545.83	1,085.48		
Uniform Medical Plan Classic	545.83	1,085.48	219.24	432.30
Uniform Medical Plan CDHP	499.95	990.26		
Premiera Blue Cross Plan F			109.10	212.02
Uniform Dental Plan	46.34	92.68	46.34	92.68
DeltaCare	39.53	79.06	39.53	79.06
Willamette Dental	40.20	80.40	40.20	80.40

For 2013, 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, 2013
Normal Cost at Year End	\$ 1,579,527
Amortization of UAAL	1,003,945
Interest on Normal Cost and Amortization Payment	116,256
Annual Required Contribution (ARC)	<u>\$ 2,699,728</u>

Determination of Net OPEB Obligation	
Annual Required Contribution	\$ 2,699,728
Interest on Prior year Net OPEB Obligation	441,464
Adjustment to ARC	<u>(341,728)</u>
Annual OPEB Cost	2,799,464
Contributions Made	<u>(1,174,277)</u>
Increase in Net OPEB Obligation	1,625,187
Net OPEB Obligation - Beginning of Year	<u>9,810,315</u>
Net OPEB Obligation - End of Year*	<u>\$ 11,435,502</u>

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 2013 were as follows:

OPEB COST			
Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
8/31/2013	\$ 2,799,464	41.95%	\$ 11,435,502
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, 2013, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$30.1 million, and actuarial value of assets was \$0, resulting in a UAAL of \$30.1 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
2009-10	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, 2013 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 \$81,582,322 is 36.9%.

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, 2013 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Bonds Payable:					
2004 UTGO Refunding Bonds	\$ 17,645,000	\$ -	\$ 1,795,000	\$ 15,850,000	\$ 6,025,000
2004 UTGO Bonds	4,740,000	-	355,000	4,385,000	270,000
2005 UTGO Bonds	20,000,000	-	20,000,000	-	-
2010 UTGO Refunding Bonds	35,450,000	-	-	35,450,000	-
2012 UTGO Refunding Bonds	9,290,000	-	135,000	9,155,000	100,000
2013 UTGO Bonds & Refunding Bonds	-	78,855,000	-	78,855,000	6,385,000
Total Bonds Payable	87,125,000	78,855,000	22,285,000	143,695,000	12,780,000
Unamortized Bond Premium	6,045,615	8,880,051	1,328,757	13,596,909	1,092,550
Net Bonds Payable	93,170,615	87,735,051	23,613,757	157,291,909	13,872,550
Other Liabilities:					
Compensated Absences	2,785,966	2,992,022	2,785,966	2,992,022	180,236
Net OPEB Obligation	9,810,315	1,625,187	-	11,435,502	-
GRAND TOTAL	\$ 105,766,896	\$ 92,352,260	\$ 26,399,723	\$ 171,719,433	\$ 14,052,786

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, 2013, including interest payments, are listed as follows:

Year Ending	Principal	Interest	Total
2014	\$ 12,780,000	\$ 5,503,528	\$ 18,283,528
2015	4,545,000	5,150,212	9,695,212
2016	5,795,000	4,932,428	10,727,428
2017	9,030,000	4,598,041	13,628,041
2018	9,010,000	4,255,374	13,265,374
2019-2023	49,340,000	15,791,745	65,131,745
2024-2028	39,250,000	6,222,200	45,472,200
2029-2032	13,945,000	1,083,900	15,028,900
Total	\$ 143,695,000	\$ 47,537,428	\$ 191,232,428

General obligation school building bonds payable at August 31, 2013, with their outstanding balances are comprised of the following individual issues:

OUTSTANDING BONDS

<p>\$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%</p>	\$ 15,850,000
<p>\$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%</p>	4,385,000
<p>\$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%</p>	35,450,000
<p>\$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%</p>	9,155,000
<p>\$78,855,000 2013 general obligation and refunding bonds, due in installments of \$570,000 to \$10,280,000 beginning December 1, 2013 to December 1, 2032, interest 1.5% to 4.00%</p>	<p>78,855,000</p> <hr style="border: 1px solid black;"/> <p>\$ 143,695,000</p> <hr style="border: 1px solid black;"/>

ADVANCE REFUNDING OF 2005 BONDS

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 by the voters on November 6, 2012. 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%. Net proceeds of \$22,341,769 were used to purchase United State Treasury Notes. 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.

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, 2013, \$ 80,710,000 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 2013 tax collection for bond purposes is \$7,786,247,895.

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 shows the final year of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease term of one year or more as of August 31, 2013. The district is now purchasing instead of leasing copiers.

Year Ending August 31,	Copiers
2014	35,284
Total	<u>\$ 35,284</u>

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 only \$13,253 it is clear that all of the major prior year claims have been

completely paid. Since the last major layoff of teachers, bus drivers and other classified staff was in 2009 due to the downturn in the economy and state funding, the decision was made to reduce the reserve to a two year current claims balance of \$26,506. This reserve reduction was \$169,016.

B. INDUSTRIAL INSURANCE

For the fiscal year ended August 31, 2013, Auburn School district made payments totaling \$1,030,835 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. It provides coverage for property, liability, vehicle, public official liability, crime, employment practices, machinery breakdown and network security. The district pays an annual premium to the pool for its general insurance coverage. For the fiscal year ended August 31, 2013, the district contributed \$834,613 to the pool.

The agreement for formation of the Washington School Risk Management Pool in 1986 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. The Pool maintains an excess reinsurance contract with Lexington Insurance Company which provides \$500 million limit of coverage over the Pool's self insured retention (SIR) limit of \$1 million. This includes boiler and machinery coverage insurance through Hartford Steam Insurance Company with a Pool retention of \$25,000. The Pool purchased liability reinsurance coverage from Alterra for \$2 million excess of \$1 million SIR per occurrence; United Educators for \$7 million excess of \$3 million per occurrence; and excess liability insurance coverage through Chartis for \$10 million excess of \$10 million per occurrence. 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, 2013. 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 POSITION

Total fund balances for governmental funds \$ 93,468,852

Total net position for governmental activities in the statement of net position 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	54,638,927	
Buildings and improvements, net of \$99,053,854 accum. depreciation	172,307,588	
Furniture and equipment, net of \$ 13,212,877 accumulated depreciation	<u>5,466,221</u>	
		255,403,345

Property taxes that are deferred in government funds since not available soon enough to pay for the current period's expenditures. 30,389,439

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. (1,280,226)

Long-term liabilities and deferred outflows of resources 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 or deferred outflows of resources. All liabilities and deferred outflows of resources, both current and long-term are reported in the statement of net position. Balances at year-end are:

Deferred Outflows of Resources:		
Deferred Charge on Refunding		5,486,845
Liabilities:		
Bonds Payable	(\$143,695,000)	
Unamortized premiums	(13,596,909)	
Compensated Absences	(2,992,022)	
Net OPEB Obligation	<u>(11,435,502)</u>	
		(171,719,433)

Total net position of governmental activities \$ 211,748,822

**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 \$ 55,357,138

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	\$	25,838,464		
Depreciation expense		(6,294,576)		\$ 19,543,888

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, 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	\$	2,285,000		
Interest and other charges - general obligation bonds		(283,674)		
Refunding Bond Sale		(65,393,282)		(63,391,956)

Property tax revenues received prior to the year for which they are being levied are reported as unavailable revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Unavailable property tax revenues increased this year. 481,562

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 (206,057)

Net OPEB Obligation (1,625,187)

Change in net position of governmental activities **\$ 10,159,388**

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 8/31/12	\$ 10,174,428	\$ 1,433,077	\$ 2,044,146	\$ 22,805,203	\$ 1,654,860
Nonspendable: Inventories	(24,071)	(6,597)	-	-	-
Restricted:					
Child Nutrition Services	493,419	-	-	-	-
Student Activities	-	(56,743)	-	-	-
Debt Service	-	-	5,925,913	-	-
Capital Projects	-	-	-	48,107,668	-
Acquisition of Buses	-	-	-	-	(238,784)
Committed:					
Capital Levy Projects	-	-	-	2,206,202	-
Assigned:					
Other Capital Projects	-	-	-	(492,520)	-
Unassigned	(557,349)	-	-	-	-
Total Fund Balance 8/31/13	\$ 10,086,427	\$ 1,369,737	\$ 7,970,059	\$ 72,626,553	\$ 1,416,076

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 2012 totaled \$298,084. Auburn School District's equity in KCDA totaled \$244,478 as of December 31, 2012. 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

Bond Sale

On February 7, 2014, the district completed the sale of \$43,555,000 in unlimited tax general obligation and refunding bonds at a premium of \$5,244,996. The new money portion of the bonds of \$40,235,000 par value and \$4,975,641 premium represents the second and final series of bonds issued under the \$110 million Auburn High School Modernization and Reconstruction Bond Issue authorized by Auburn voters on November 6, 2012. Construction started in 2013 and will 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. The balance of the issue of \$3,320,000 par value and \$269,354 premium advance refunded \$3,390,000 of the 2004 bonds. The total net refunding savings of \$249,951 had a net present value of \$232,681 as of the bond settlement date. The percentage savings of the refunded bonds is 6.86%. The net interest cost is 3.72%.

Property Tax Levy for Technology

On February 11, 2014, Auburn voters approved the \$22 million technology replacement levy. The technology levy is a six-year levy and replaces the 2005 technology. The projected tax rate will remain approximately level at \$6.60 per thousand of assessed valuation. It provides funding to implement recommendations from the 2013 Technology Citizens Ad Hoc Committee. The technology recommendations include:

- Providing 24/7 access to electronic resources for students, parents and teachers that allow for differentiation of learning, programs and support
- Providing 1:1 student digital devices like computer tablets
- Wireless access in all buildings
- A robust broadband infrastructure to support varied learning structures.

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.



REQUIRED SUPPLEMENTARY INFORMATION
AUBURN SCHOOL DISTRICT NO. 408
BUDGETARY COMPARISON SCHEDULE*
GENERAL FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Local	\$ 35,497,651	\$ 35,497,651	\$ 35,347,175	\$ (150,476)
State	89,743,130	89,743,130	91,079,053	1,335,923
Federal	12,452,979	12,452,979	12,847,767	394,788
Other	883,969	883,969	642,198	(241,771)
TOTAL REVENUES	138,577,729	138,577,729	139,916,193	1,338,464
EXPENDITURES				
CURRENT				
Regular Instruction	80,050,757	80,050,757	79,857,005	193,752
Special Education	16,795,922	16,795,922	16,953,174	(157,252)
Vocational Instruction	6,010,425	6,010,425	5,764,317	246,108
Compensatory Education	7,600,377	7,600,377	7,982,400	(382,023)
Other Instructional Programs	2,242,654	2,242,654	1,102,048	1,140,606
Community Services	1,169,979	1,169,979	926,726	243,253
Support Services	17,433,477	17,433,477	16,075,261	1,358,216
Child Nutrition Services	5,410,038	5,410,038	5,080,155	329,883
Pupil Transportation Services	6,321,783	6,321,783	6,029,994	291,789
CAPITAL OUTLAY				
Equipment	147,444	147,444	236,614	(89,170)
TOTAL EXPENDITURES	143,182,856	143,182,856	140,007,694	3,175,162
Excess of Revenues Over (Under) Expenditures	(4,605,127)	(4,605,127)	(91,501)	4,513,626
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	-	3,500	3,500
Total Other Financing Sources (Uses)	-	-	3,500	3,500
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses	(4,605,127)	(4,605,127)	(88,001)	4,517,126
FUND BALANCE-September 1	9,301,891	9,301,891	10,174,428	872,537
FUND BALANCE -August 31	\$ 4,696,764	\$ 4,696,764	\$ 10,086,427	\$ 5,389,663

* 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, 2013**

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
General	\$ 1,713,005	\$ 1,713,005	\$ 662,010	\$ (1,050,995)
Athletics	256,617	256,617	184,140	(72,477)
Classes	280,880	280,880	133,026	(147,854)
Clubs	1,659,689	1,659,689	1,230,231	(429,458)
Private Monies	109,660	109,660	48,212	(61,448)
Total Revenues	4,019,851	4,019,851	2,257,619	(1,762,232)
EXPENDITURES				
General	1,169,404	1,169,404	503,206	666,198
Athletics	378,085	378,085	312,644	65,441
Classes	303,571	303,571	127,121	176,450
Clubs	1,975,902	1,975,902	1,320,813	655,089
Private Monies	115,917	115,917	57,175	58,742
Total Expenditures	3,942,879	3,942,879	2,320,959	1,621,920
Excess of Revenues Over (Under) Expenditures	76,972	76,972	(63,340)	(140,312)
FUND BALANCE - September 1	957,531	957,531	1,433,077	475,546
FUND BALANCE - August 31	\$ 1,034,503	\$ 1,034,503	\$ 1,369,737	\$ 335,234

*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%
2013	August 31, 2013	\$ -	\$ 30,118,346	\$ 30,118,346	0%	\$ 81,582,322	36.9%

Note 1: The provisions of the Governmental Accounting Standards Board for the actuarial valuation of post employment benefits were adopted for the fiscal year ended August 31, 2009, therefore only five years of data are shown.

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
GENERAL FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2013 AND 2012

	2012-13	2011-12
ASSETS		
Cash and Cash Equivalents	\$ 10,786,939	\$ 11,076,355
Property Tax Receivable	15,452,107	15,257,600
Accounts Receivable, Net	602,973	111,746
Interest Receivable	6,740	4,805
Interfund Receivable	2,642	2,458
Due From Other Governments	1,102,585	1,116,541
Inventories, at Cost	604,218	628,289
TOTAL ASSETS	\$ 28,558,204	\$ 28,197,794
LIABILITIES		
Accounts Payable	926,099	636,352
Accrued Wages and Benefits Payable	1,643,008	1,629,229
Due To Other Governments	88,831	102,819
Interfund Payable	8,708	-
Unearned Revenue-Other	353,024	397,366
TOTAL LIABILITIES	\$ 3,019,670	\$ 2,765,766
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-Property Taxes	15,452,107	15,257,600
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 15,452,107	\$ 15,257,600
FUND BALANCES		
Nonspendable:		
Inventories	604,218	628,289
Restricted:		
Child Nutrition Services	1,411,784	918,365
Assigned:		
Other Purposes	2,100,000	2,100,000
Unassigned:	5,970,425	6,527,774
TOTAL FUND BALANCES	\$ 10,086,427	\$ 10,174,428
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 28,558,204	\$ 28,197,794

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, 2013
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)

	2012-13			2011-12
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES:				
Source:				
Local Taxes	30,258,960	30,474,516	215,556	29,576,925
Local Non-Tax	5,238,691	4,872,659	(366,032)	3,583,427
State, General Purpose	74,533,120	75,041,752	508,632	73,403,321
State, Special Purpose	15,210,010	16,037,301	827,291	15,224,476
Federal, General Purpose	107,000	29,742	(77,258)	133,197
Federal, Special Purpose	12,345,979	12,818,025	472,046	12,909,035
Revenues from other sources	883,969	642,198	(241,771)	975,305
TOTAL REVENUES	138,577,729	139,916,193	1,338,464	135,805,686
EXPENDITURES				
Current:				
Regular Instruction	80,050,757	79,857,005	193,752	78,528,993
Special Instruction	16,795,922	16,953,174	(157,252)	16,643,184
Vocational Instruction	6,010,425	5,764,317	246,108	5,475,188
Compensatory Education	7,600,377	7,982,400	(382,023)	7,715,152
Other Educational Programs	2,242,654	1,102,048	1,140,606	1,006,558
Community Services	1,169,979	926,726	243,253	902,401
Support Services	17,433,477	16,075,261	1,358,216	15,959,864
Child Nutrition Services	5,410,038	5,080,155	329,883	5,053,335
Pupil Transportation Services	6,321,783	6,029,994	291,789	5,702,805
Capital Outlay - Equipment	147,444	236,614	(89,170)	102,241
TOTAL EXPENDITURES	143,182,856	140,007,694	3,175,162	137,089,721
Excess of Revenues Over (Under) Expenditures	(4,605,127)	(91,501)	4,513,626	(1,284,035)
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	3,500	3,500	16,501
Total Other Financing Sources (Uses)	-	3,500	3,500	16,501
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses	(4,605,127)	(88,001)	4,517,126	(1,267,534)
FUND BALANCE-September 1	9,301,891	10,174,428	872,537	11,441,962
FUND BALANCE -August 31	\$ 4,696,764	\$ 10,086,427	\$ 5,389,663	\$ 10,174,428

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)

DESCRIPTION	2012-13			2011-12
	BUDGET	ACTUAL	VARIANCE	ACTUAL
LOCAL TAXES				
Local Property Tax	\$ 30,257,707	\$ 30,473,444	\$ 215,737	\$ 29,575,772
Other Taxes	1,253	1,072	(181)	1,153
TOTAL LOCAL TAXES	30,258,960	30,474,516	215,556	29,576,925
LOCAL NON-TAX				
Tuition & Fees, Unassigned	500,591	457,549	(43,042)	404,030
Summer School Tuition	-	5,602	5,602	4,930
Sales of Goods and Supplies	159,000	202,724	43,724	174,674
Sales of Goods and Supplies, Vocational	656,500	368,020	(288,480)	442,099
Other Community Services	206,850	274,828	67,978	253,010
Food Services Sales	1,327,500	1,165,329	(162,171)	1,251,867
Investment Earnings	75,000	48,458	(26,542)	73,837
Gifts & Donations	1,632,673	881,562	(751,111)	389,981
Fines & Damages	19,000	21,583	2,583	21,909
Rental of Property	289,000	326,174	37,174	363,524
Insurance Recoveries	9,800	45,608	35,808	-
Local Non-Tax Unassigned	138,000	237,520	99,520	203,566
E-Rate	224,777	837,702	612,925	-
TOTAL LOCAL NONTAX	5,238,691	4,872,659	(366,032)	3,583,427
STATE FUNDS, GENERAL PURPOSE				
Apportionment	69,143,954	69,408,795	264,841	68,090,179
Apportionment-Special Education	2,115,729	2,035,746	(79,983)	2,088,299
Local Effort Assistance	3,273,437	3,597,211	323,774	3,224,843
TOTAL STATE, GENERAL PURPOSE	74,533,120	75,041,752	508,632	73,403,321
STATE FUNDS, SPECIAL PURPOSE				
Special Purpose, Unassigned	2,000	1,105	(895)	1,560
Special Education	8,108,007	8,739,224	631,217	8,343,210
Learning Assistance	2,039,157	2,031,800	(7,357)	1,901,007
Special Pilot Programs	495,240	494,004	(1,236)	372,681
Transitional Bilingual	1,611,435	1,705,389	93,954	1,579,909
Student Achievement	-	-	-	-
Highly Capable	132,647	131,962	(685)	130,579
School Food Services	143,772	161,476	17,704	166,934
Transportation - Operations	2,669,752	2,766,530	96,778	2,710,381
Other State Agencies, Unassigned	8,000	5,811	(2,189)	18,215
TOTAL STATE, SPECIAL PURPOSE	15,210,010	16,037,301	827,291	15,224,476

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)

DESCRIPTION				
	2012-13			2011-12
	BUDGET	ACTUAL	VARIANCE	ACTUAL
FEDERAL FUNDS, GENERAL PURPOSE				
Impact Aid	\$ 105,000	\$ 21,359	\$ (83,641)	\$ 124,678
Federal Forests	2,000	8,383	6,383	8,519
TOTAL FEDERAL, GENERAL PURPOSE	107,000	29,742	(77,258)	133,197
FEDERAL, SPECIAL PURPOSE				
Federal Stimulus	-	-	-	45,555
Special Purpose, Unassigned	200,000	96,819	(103,181)	310,300
Special Education, Medicaid Reimbursement	150,000	136,372	(13,628)	127,211
Special Education	2,767,760	2,957,642	189,882	2,932,027
Vocational Education	87,000	105,156	18,156	100,452
Disadvantaged, Title I	2,252,729	2,416,341	163,612	2,391,057
Title II	461,300	560,504	99,204	586,698
Reading First	-	-	-	45,578
Limited English Proficiency	330,000	340,381	10,381	361,175
Other Community Services	356,700	249,954	(106,746)	279,271
School Food Service	4,113,909	4,299,115	185,206	4,004,554
Other Title	140,000	-	(140,000)	19,090
Head Start	634,317	624,422	(9,895)	612,361
Indian Education	82,264	82,550	286	77,993
Medicaid Administrative Match	450,000	580,689	130,689	614,597
USDA Commodities	320,000	368,080	48,080	401,116
TOTAL FEDERAL, SPECIAL PURPOSE	12,345,979	12,818,025	472,046	12,909,035
REVENUES FROM OTHER DISTRICTS				
Transportation	-	300	300	113,108
Non-High Participation	781,269	637,798	(143,471)	857,697
TOTAL REVENUES FROM OTHER DISTRICTS	781,269	638,098	(143,171)	970,805
REVENUES FROM OTHER AGENCIES				
Agency & Association Grants	102,700	4,100	(98,600)	4,500
TOTAL REVENUES FROM OTHER AGENCIES	102,700	4,100	(98,600)	4,500
REVENUES FROM OTHER FINANCING SOURCES				
Sale of Equipment	-	3,500	3,500	16,501
TOTAL REVENUES FROM OTHER FINANCING SOURCES	-	3,500	3,500	16,501
TOTAL REVENUES	\$ 138,577,729	\$ 139,919,693	\$ 1,341,964	\$ 135,822,187

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF EXPENDITURES BY PROGRAM
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)

PROGRAM	2012-13			2011-12
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REGULAR INSTRUCTION				
Teaching	\$ 58,992,659	\$ 58,752,348	\$240,311	\$ 58,228,008
Extracurricular	2,993,552	3,172,388	(178,836)	2,803,985
Instructional Supervision	1,338,820	1,164,201	174,619	1,329,927
Learning Resources - Library Services	2,474,698	2,421,567	53,131	2,410,752
Principals	8,764,806	8,831,021	(66,215)	8,731,205
Guidance and Counseling	2,910,735	3,163,459	(252,724)	2,716,901
Pupil Management and Safety	1,257,110	1,008,701	248,409	1,146,076
Health Services - Psychologists, Nurses	1,318,377	1,343,320	(24,943)	1,162,139
Total Regular Instruction	80,050,757	79,857,005	193,752	78,528,993
SPECIAL INSTRUCTION				
Basic State Program	14,291,543	14,022,430	269,113	13,740,057
Supplemental Federal Program	2,461,380	2,888,063	(426,683)	2,860,812
Other	42,999	42,681	318	42,315
Total Special Instruction	16,795,922	16,953,174	(157,252)	16,643,184
VOCATIONAL INSTRUCTION				
Basic State Program	5,925,648	5,661,845	263,803	5,377,295
Supplemental Federal Program	84,777	102,472	(17,695)	97,893
Total Vocational Instruction	6,010,425	5,764,317	246,108	5,475,188
COMPENSATORY EDUCATION				
Federal Remediation-Title I	2,195,214	2,354,650	(159,436)	2,270,518
Federal School Improvement ESEA	585,945	546,194	39,751	590,086
Federal Stimulus--State Fiscal Stabilization	-	-	-	45,555
Federal Stimulus--Other	-	45,494	(45,494)	20,328
Reading First	-	640	(640)	46,935
State Remediation	1,845,471	1,979,134	(133,663)	1,934,821
Special and Pilot Programs	506,446	496,223	10,223	375,563
Federal Head Start	634,316	624,422	9,894	608,347
Federal Limited English Proficiency	321,573	333,780	(12,207)	351,508
State Transitional Bilingual	1,431,144	1,521,421	(90,277)	1,393,498
Federal Indian Education	80,268	80,442	(174)	77,993
Total Compensatory Education	\$ 7,600,377	\$ 7,982,400	\$ (382,023)	\$ 7,715,152

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF EXPENDITURES BY PROGRAM
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)

PROGRAM	2012-13			2011-12
	BUDGET	ACTUAL	VARIANCE	ACTUAL
OTHER EDUCATIONAL PROGRAMS				
Summer School	\$ -	\$ 19,348	\$ (19,348)	\$ 13,203
Highly Capable	124,244	131,672	(7,428)	118,297
Other Instructional Programs	2,118,410	951,028	1,167,382	875,058
Total Other Educational Programs	2,242,654	1,102,048	1,140,606	1,006,558
COMMUNITY SERVICES	1,169,979	926,726	243,253	902,401
SUPPORT SERVICES				
Board of Directors	246,381	269,706	(23,325)	189,980
Superintendent's Office	450,074	380,914	69,160	403,628
Business Services	1,531,809	1,543,006	(11,197)	1,497,233
Human Resources	1,139,857	1,235,665	(95,808)	1,073,246
Maintenance	3,182,173	3,104,350	77,823	3,031,941
Custodial	4,368,612	4,278,625	89,987	4,281,353
Utilities	4,424,211	3,375,301	1,048,910	3,484,851
Insurance	823,500	735,513	87,987	799,954
Building Security	262,372	272,402	(10,030)	274,268
Printing	(4,250)	-	(4,250)	-
Information Technology	604,975	500,570	104,405	544,588
Warehouse	393,363	366,327	27,036	369,528
Motor Pool	10,400	12,882	(2,482)	9,294
Total Support Services	17,433,477	16,075,261	1,358,216	15,959,864
CHILD NUTRITION SERVICES	5,410,038	5,080,155	329,883	5,053,335
PUPIL TRANSPORTATION SERVICES	6,321,783	6,029,994	291,789	5,702,805
CAPITAL OUTLAY-EQUIPMENT	147,444	236,614	(89,170)	102,241
Total Expenditures	\$ 143,182,856	\$ 140,007,694	\$ 3,175,162	\$ 137,089,721

AUBURN SCHOOL DISTRICT NO. 408
SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2013 AND 2012

	2012-13	2011-12
ASSETS		
Cash and Cash Equivalents	\$ 1,651,487	\$ 1,713,081
Accounts Receivable	-	11,623
Accrued Interest Receivable	856	555
Inventories at Cost	4,276	-
TOTAL ASSETS	\$ 1,656,619	\$ 1,725,259
LIABILITIES		
Accounts Payable	38,532	24,426
Due to Other Governments	2,994	5,124
Interfund Payable	2,642	2,319
Unearned Revenue - Other	242,714	260,313
TOTAL LIABILITIES	\$ 286,882	\$ 292,182
FUND BALANCES		
Nonspendable-Inventories	4,276	10,873
Restricted-Student Activities	1,365,461	1,422,204
TOTAL FUND BALANCES	\$ 1,369,737	\$ 1,433,077
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,656,619	\$ 1,725,259

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, 2013
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)

				2011-12
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
General	\$ 1,713,005	\$ 662,010	\$ (1,050,995)	\$ 681,856
Athletics	256,617	184,140	(72,477)	178,438
Classes	280,880	133,026	(147,854)	132,822
Clubs	1,659,689	1,230,231	(429,458)	1,211,894
Other	109,660	48,212	(61,448)	50,867
Total Revenues	4,019,851	2,257,619	(1,762,232)	2,255,877
EXPENDITURES				
Current:				
General	1,169,404	503,206	666,198	490,218
Athletics	378,085	312,644	65,441	283,976
Classes	303,571	127,121	176,450	139,618
Clubs	1,975,902	1,320,813	655,089	1,239,333
Other	115,917	57,175	58,742	45,059
Total Expenditures	3,942,879	2,320,959	1,621,920	2,198,204
Excess of Revenues Over (Under) Expenditures	76,972	(63,340)	(140,312)	57,673
FUND BALANCE - September 1	957,531	1,433,077	475,546	1,375,404
FUND BALANCE - August 31	\$ 1,034,503	\$ 1,369,737	\$ 335,234	\$ 1,433,077

**AUBURN SCHOOL DISTRICT NO. 408
DEBT SERVICE FUND (BOND FUND)
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2013 AND 2012**

	2012-13	2011-12
ASSETS		
Cash and Cash Equivalents	\$ 7,987,127	\$ 2,078,544
Property Tax Receivable	8,291,204	4,074,275
Accrued Interest Receivable	3,455	857
TOTAL ASSETS	\$ 16,281,786	\$ 6,153,676
LIABILITIES		
Accounts Payable	20,523	35,255
TOTAL LIABILITIES	\$ 20,523	\$ 35,255
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-Property Taxes	8,291,204	4,074,275
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 8,291,204	\$ 4,074,275
FUND BALANCE		
Restricted for Debt Service	7,970,059	2,044,146
TOTAL FUND BALANCE	\$ 7,970,059	\$ 2,044,146
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 16,281,786	\$ 6,153,676

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, 2013
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)

				2011-12
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Local Taxes	\$ 12,491,144	\$ 12,494,255	\$ 3,111	\$ 7,951,648
Local Non-Tax	16,271	84,983	68,712	22,054
Total Revenues	12,507,415	12,579,238	71,823	7,973,702
EXPENDITURES				
DEBT SERVICE				
Principal Retirement	2,285,000	2,285,000	-	4,125,000
Interest on Bonds	4,500,000	4,371,513	128,487	3,887,024
Bond Transfer Fees	100,000	43,165	56,835	1,683
Underwriter's Fees	100,000	68,565	31,435	60,915
Total Expenditures	6,985,000	6,768,243	216,757	8,074,622
OTHER FINANCING SOURCES (USES)				
Issuance of Refunding Bonds	19,590,000	19,590,000	-	9,290,000
Issuance Premium	2,866,687	2,866,687	-	707,004
Payment to refunded Bonds Escrow Agent	(22,341,769)	(22,341,769)	-	(9,935,303)
Total Other Financing Sources (Uses)	114,918	114,918	-	61,701
Excess of Revenues/Other Financing Sources Over (Under) Expenditures And Other Financing Uses	5,637,333	5,925,913	288,580	(39,219)
FUND BALANCE - September 1	2,036,426	2,044,146	7,720	2,083,365
	-			
FUND BALANCE -August 31	\$ 7,673,759	\$ 7,970,059	\$ 296,300	\$ 2,044,146

AUBURN SCHOOL DISTRICT NO. 408
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2013 AND 2012

	2012-13	2011-12
ASSETS		
Cash and Cash Equivalent	\$ 78,940,225	\$ 24,820,785
Property Tax Receivable	2,102,019	5,902,126
Accrued Interest Receivable	35,331	11,125
Interfund Receivable	3,442	-
Due From Other Governments	383,927	174,347
TOTAL ASSETS	\$ 81,464,944	\$ 30,908,383
LIABILITIES		
Accounts Payable	6,665,465	2,081,292
Due to Other Governments	67,503	115,819
Interfund Payable	-	139
Unearned Revenues-Other	3,404	3,804
TOTAL LIABILITIES	\$ 6,736,372	\$ 2,201,054
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-Property Taxes	2,102,019	5,902,126
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 2,102,019	\$ 5,902,126
FUND BALANCES		
Restricted:		
Bond Project-Auburn High Modernization	47,135,844	-
Impact Fee Projects	971,824	-
Committed:		
Capital Improvement Levy Projects	9,660,348	5,868,451
Technology Levy Projects	1,780,230	3,365,925
Assigned:		
Other Capital Projects	13,078,307	13,570,827
TOTAL FUND BALANCES	\$ 72,626,553	\$ 22,805,203
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 81,464,944	\$ 30,908,383

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, 2013
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)

	2012-13			2011-12
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Local Taxes	\$ 7,552,334	\$ 7,673,513	\$ 121,179	\$ 12,593,236
Local Non-Tax	1,629,715	2,909,852	1,280,137	1,595,382
State, Special Purpose	-	-	-	1,300,000
TOTAL REVENUES	9,182,049	10,583,365	1,401,316	15,488,618
EXPENDITURES				
Capital Outlay				
Sites	2,910,000	884,288	2,025,712	1,046,024
Building	91,296,500	23,165,219	68,131,281	8,162,730
Equipment	2,090,000	1,620,199	469,801	1,501,320
Energy	3,500	92,994	(89,494)	3,078,720
Bond Issuance	-	277,679	(277,679)	-
TOTAL EXPENDITURES	96,300,000	26,040,379	70,259,621	13,788,794
Excess Of Revenues Over (Under) Expenditures	(87,117,951)	(15,457,014)	71,660,937	1,699,824
OTHER FINANCING SOURCES (USES)				
Proceeds of Long-Term Debt	59,265,000	59,265,000	-	-
Issuance Premium	6,013,364	6,013,364	-	-
Total Other Financing Sources (Uses)	65,278,364	65,278,364	-	-
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses	(21,839,587)	49,821,350	71,660,937	1,699,824
FUND BALANCE - September 1	22,709,551	22,805,203	95,652	21,105,379
FUND BALANCE - August 31	\$ 869,964	\$ 72,626,553	\$ 71,756,589	\$ 22,805,203

**AUBURN SCHOOL DISTRICT NO. 408
TRANSPORTATION VEHICLE FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2013 AND 2012**

	2012-13	2011-12
ASSETS		
Cash and Cash Equivalents	\$ 1,412,040	\$ 1,656,180
Taxes Receivable	138	1,692
Due From Other Governments	-	1,216
Interfund Receivable	5,266	-
Interest Receivable	634	701
TOTAL ASSETS	\$ 1,418,078	\$ 1,659,789
LIABILITIES		
Due to Other Governments	1,864	3,237
TOTAL LIABILITIES	\$ 1,864	\$ 3,237
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-Property Taxes	138	1,692
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 138	\$ 1,692
FUND BALANCE		
Restricted for Acquisition of School Buses	1,416,076	1,654,860
TOTAL FUND BALANCE	\$ 1,416,076	\$ 1,654,860
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 1,418,078	\$ 1,659,789

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, 2013
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)

				2011-12
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Local Taxes	\$ -	\$ 91	\$ 91	\$ 249
Local Non-Tax	10,087	6,900	(3,187)	11,772
State, Special Purpose	671,092	715,503	44,411	671,093
TOTAL REVENUES	681,179	722,494	41,315	683,114
EXPENDITURES				
Capital Outlay:				
Equipment	2,303,500	966,544	1,336,956	-
TOTAL EXPENDITURES	2,303,500	966,544	1,336,956	-
Excess of Revenues (Under) Expenditures	(1,622,321)	(244,050)	1,378,271	683,114
OTHER FINANCING SOURCES (USES)				
Sales of Surplus Buses	-	5,266	5,266	21,366
TOTAL OTHER FINANCING SOURCES(USES)	-	5,266	5,266	21,366
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(1,622,321)	(238,784)	1,383,537	704,480
FUND BALANCE - September 1	1,622,358	1,654,860	32,502	950,380
FUND BALANCE - August 31	\$ 37	\$ 1,416,076	\$ 1,416,039	\$ 1,654,860

PRIVATE PURPOSE TRUST
COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION
AUGUST 31, 2013 AND 2012

	2012-13	2011-12
ASSETS		
Cash and Cash Equivalents	\$ 586,836	\$ 574,876
Accounts Receivable	-	2,000
Interest Receivable	376	274
TOTAL ASSETS	\$ 587,212	\$ 577,150
LIABILITIES		
Accounts Payable	3,234	3,624
Total Liabilities	\$ 3,234	\$ 3,624
NET POSITION	\$ 583,978	\$ 573,526

**AUBURN SCHOOL DISTRICT NO. 408
PRIVATE PURPOSE TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)**

2012-13	2011-12
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ADDITIONS:

Donations	\$ 176,237	\$ 135,292
Investment Earnings:	-	4,001
TOTAL ADDITIONS	176,237	139,293

DEDUCTIONS:

Scholarships and Student Aid	165,371	143,952
Loss on Investments	414	-
TOTAL DEDUCTIONS	165,785	143,952

CHANGES IN NET POSITION	10,452	(4,659)
NET POSITION - September 1	573,526	578,185
NET POSITION - August 31	\$ 583,978	\$ 573,526

EMPLOYEE BENEFIT TRUST FUND
COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION
AUGUST 31, 2013 AND 2012

	2012-13	2011-12
ASSETS		
Cash and Cash Equivalents	\$ 51,371	\$ 90,359
Accounts Receivable	122	-
Interest Receivable	32	31
TOTAL ASSETS	\$ 51,525	\$ 90,390
LIABILITIES		
Accounts Payable	7,507	5,981
Total Liabilities	\$ 7,507	\$ 5,981
NET POSITION		
Held In Trust For Employee Benefits	44,018	84,409
Total Net Position	\$ 44,018	\$ 84,409

**AUBURN SCHOOL DISTRICT NO. 408
EMPLOYEE BENEFIT TRUST FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012)**

	2012-13	2011-12
ADDITIONS		
Contributions from Plan Members	\$ 183,000	\$ 155,054
Investment Earnings	2,211	567
TOTAL ADDITIONS	185,211	155,621
DEDUCTIONS		
Benefit Claims	224,902	201,740
Administrative Expenses	700	700
TOTAL DEDUCTIONS	225,602	202,440
CHANGES IN NET POSITION	(40,391)	(46,819)
NET POSITION - September 1	84,409	131,228
NET POSITION - August 31	\$ 44,018	\$ 84,409

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF CHANGES IN LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013

	BALANCE 9/1/2012	INCREASES	DECREASES	BALANCE 8/31/2013
Governmental Bonds Payable				
2004 UTGO Refunding Bonds	17,645,000	-	1,795,000	15,850,000
2004 UTGO Bonds	4,740,000	-	355,000	4,385,000
2005 UTGO Bonds	20,000,000	-	20,000,000	-
2010 UTGO Refunding Bonds	35,450,000	-	-	35,450,000
2012 UTGO Refunding Bonds	9,290,000	-	135,000	9,155,000
2013 UTGO and Refunding Bonds	-	78,855,000	-	78,855,000
Total Bonds Payable	87,125,000	78,855,000	22,285,000	143,695,000
Unamortized Bond Premium/Discount	6,045,615	8,880,051	1,328,757	13,596,909
Net Bonds Payable	93,170,615	87,735,051	23,613,757	157,291,909
Compensated Absences	2,785,966	2,992,022	2,785,966	2,992,022
Net OPEB Obligation	9,810,315	1,625,187	-	11,435,502
Total Long-Term Debt	\$ 105,766,896	\$ 92,352,260	\$ 26,399,723	\$ 171,719,433

AUBURN SCHOOL DISTRICT NO. 408

Schedule H-2

OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS DEBT SERVICE-AUGUST 31, 2013

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 \$36,025,000 2010 Refunding Bond Dated 9/27/10		Original Issue Amount \$9,290,000 2012 Refunding Bond 5/7/2012		Original Issue Amount \$78,855,000 2013 UTGO and Refunding 1/8/2013		TOTAL DEBT SERVICE	TOTAL CALENDAR YEAR
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
	12/1/13	4,010,000	368,795	270,000	108,262	-	764,575	100,000	133,356	6,385,000		
6/1/14	2,015,000	268,546	-	102,863	-	764,575	-	132,356	-	1,382,212.50	4,665,553	
12/1/14	2,015,000	232,024	725,000	102,862	-	764,575	100,000	132,357	1,705,000	1,382,212.50	7,159,031	11,824,583
6/1/15	-	195,250	-	88,363	-	764,575	-	131,356	-	1,356,637.50	2,536,182	
12/1/15	3,920,000	195,250	1,205,000	88,362	-	764,575	100,000	131,356	570,000	1,356,637.50	8,331,181	10,867,362
6/1/16	-	97,250	-	55,979	-	764,575	-	130,356	-	1,348,087.50	2,396,248	
12/1/16	3,890,000	97,250	1,735,000	55,978	-	764,575	100,000	130,357	3,305,000	1,348,087.50	11,426,248	13,822,495
6/1/17	-	-	-	9,350	-	764,575	-	129,356	-	1,298,512.50	2,201,794	
12/1/17	-	-	125,000	9,350	6,100,000	764,575	100,000	129,356	2,685,000	1,298,512.50	11,211,794	13,413,587
6/1/18	-	-	-	6,787	-	660,200	-	128,356	-	1,258,237.50	2,053,581	
12/1/18	-	-	150,000	6,788	6,540,000	660,200	100,000	128,357	2,485,000	1,258,237.50	11,328,583	13,382,163
6/1/19	-	-	-	3,675	-	542,100	-	127,356	-	1,220,962.50	1,894,094	
12/1/19	-	-	175,000	3,675	7,020,000	542,100	100,000	127,356	1,300,000	1,220,962.50	10,489,094	12,383,187
6/1/20	-	-	-	-	-	391,700	-	126,356	-	1,208,400.00	1,726,456	
12/1/20	-	-	-	-	7,575,000	391,700	120,000	126,357	2,750,000	1,208,400.00	12,171,457	13,897,913
6/1/21	-	-	-	-	-	205,375	-	124,556	-	1,153,400.00	1,483,331	
12/1/21	-	-	-	-	8,215,000	205,375	125,000	124,556	2,165,000	1,153,400.00	11,988,331	13,471,662
6/1/22	-	-	-	-	-	-	-	123,150	-	1,110,100.00	1,233,250	
12/1/22	-	-	-	-	-	-	8,210,000	123,150	2,310,000	1,110,100.00	11,753,250	12,986,500
6/1/23	-	-	-	-	-	-	-	-	-	1,063,900.00	1,063,900	
12/1/23	-	-	-	-	-	-	-	-	10,280,000	1,063,900.00	11,343,900	12,407,800
6/1/24	-	-	-	-	-	-	-	-	-	858,300.00	858,300	
12/1/24	-	-	-	-	-	-	-	-	10,080,000	858,300.00	10,938,300	11,796,600
6/1/25	-	-	-	-	-	-	-	-	-	656,700.00	656,700	
12/1/25	-	-	-	-	-	-	-	-	6,560,000	656,700.00	7,216,700	7,873,400
6/1/26	-	-	-	-	-	-	-	-	-	525,500.00	525,500	
12/1/26	-	-	-	-	-	-	-	-	6,315,000	525,500.00	6,840,500	7,366,000
6/1/27	-	-	-	-	-	-	-	-	-	399,200.00	399,200	
12/1/27	-	-	-	-	-	-	-	-	6,015,000	399,200.00	6,414,200	6,813,400
6/1/28	-	-	-	-	-	-	-	-	-	278,900.00	278,900	
12/1/28	-	-	-	-	-	-	-	-	5,285,000	278,900.00	5,563,900	5,842,800
6/1/29	-	-	-	-	-	-	-	-	-	173,200.00	173,200	
12/1/29	-	-	-	-	-	-	-	-	2,600,000	173,200.00	2,773,200	2,946,400
6/1/30	-	-	-	-	-	-	-	-	-	121,200.00	121,200	
12/1/30	-	-	-	-	-	-	-	-	2,340,000	121,200.00	2,461,200	2,582,400
6/1/31	-	-	-	-	-	-	-	-	-	74,400.00	74,400	
12/1/31	-	-	-	-	-	-	-	-	2,035,000	74,400.00	2,109,400	2,183,800
6/1/32	-	-	-	-	-	-	-	-	-	33,700.00	33,700	
12/1/32	-	-	-	-	-	-	-	-	1,685,000	33,700.00	1,718,700	1,752,400
Total	15,850,000	1,454,365	4,385,000	642,294	35,450,000	10,479,925	9,155,000	2,439,756	78,855,000	32,521,087.50	191,232,428	191,232,428

AUBURN SCHOOL DISTRICT #408
SCHEDULE OF CAPITAL ASSETS BY LOCATION
AUGUST 31, 2013

PROPERTY	LOCATION	BUILDINGS & CONSTRUCTION			TOTALS	
		LAND	IMPROVEMENTS	IN PROGRESS EQUIPMENT		
SENIOR HIGH SCHOOLS						
Auburn	800 4th Street N.E.	\$ 592,951	\$ 26,797,681	\$ -	\$ 1,128,751	\$ 28,519,383
Auburn Riverside	501 Oravetz Rd	4,476,766	31,642,226	-	675,141	36,794,133
Auburn Mountainview	28900 124th Ave SE	4,129,915	48,309,830	-	397,197	52,836,942
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	6,800,402	-	68,491	7,561,187
MIDDLE SCHOOLS						
Cascade	1015 24th Street NE	121,486	8,495,693	-	131,933	8,749,112
Mt. Baker	620 37th Street SE	2,923,600	13,453,860	-	59,929	16,437,389
Olympic	1825 "K" Street SE	92,532	8,966,021	-	53,274	9,111,827
Rainier	30620 116th Ave. SE	107,681	12,762,993	-	59,621	12,930,295
ELEMENTARY SCHOOLS						
Alpac	310 Milwaukee Blvd N.	83,007	6,190,360	-	145,460	6,418,827
Arthur Jacobsen	29205 132nd St SE	1,006,023	20,188,888	-	158,964	21,353,875
Chinook	3502 Auburn Way S.	32,985	3,513,839	-	120,760	3,667,584
Dick Scobee	1031 14th Street NE	9,731	4,415,674	-	75,773	4,501,178
Evergreen Heights	5602 So 316th	22,223	2,151,056	-	139,211	2,312,490
Gildo Rey	1005 37th Street SE	30,232	5,423,133	-	108,733	5,562,098
Hazelwood	11815 SE 304th Street	230,323	6,545,009	-	97,630	6,872,962
Ilalko	301 Oravetz Pl SE	2,007,182	6,770,908	-	119,070	8,897,160
Lake View	16401 SE 318th	408,702	4,273,651	-	179,547	4,861,900
Lakeland Hills	1020 Evergreen Way SE	3,093,020	14,472,577	-	164,918	17,730,515
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	-	164,928	3,146,906
Washington	20 "E" Street NE	10,000	6,723,246	-	126,167	6,859,413
ADMINISTRATION & SERVICE BUILDINGS						
James P. Fugate	915 4th Street NE	88,690	2,452,281	-	1,217,450	3,758,421
Annex	502 4th Street NE	183,646	653,035	-	13,492	850,173
Support Services Center	1302 4th Street SW	1,046,802	4,466,330	-	1,163,306	6,676,438
Transportation	615 15th Street SW	18	4,661,051	-	11,790,405	16,451,474
Transition Assistance	501 3rd St NE	154,552	879,951	-	-	1,034,503
Pool	516 4th ST NE	-	2,959,297	-	-	2,959,297
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	619,235	-	-	1,839,044
Construction in Progress		-	-	54,638,927	-	54,638,927
TOTALS		\$ 22,990,609	\$ 271,361,442	\$ 54,638,927	\$ 18,679,098	\$ 367,670,076

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF CHANGES IN CAPITAL ASSETS
AUGUST 31, 2013

CAPITAL ASSET TYPES	CAPITAL ASSETS 9/1/2012	ADDITIONS	DELETIONS	CAPITAL ASSETS 8/31/2013
Land	\$ 22,990,609	\$ -	\$ -	\$ 22,990,609
Building and Improvements	261,607,138	9,966,369	(212,065)	271,361,442
Equipment	17,548,050	1,462,859	(331,811)	18,679,098
Construction In Progress	40,229,691	26,040,379	(11,631,143)	54,638,927
Totals at Historical Cost	342,375,488	37,469,607	(12,175,019)	367,670,076
Less: Accumulated Depreciation				
Building and Improvements	(93,935,550)	(5,330,369)	212,065	(99,053,854)
Equipment	(12,580,481)	(964,207)	331,811	(13,212,877)
Total Accumulated Depreciation	(106,516,031)	(6,294,576)	543,876	(112,266,731)
Capital Assets, Net of Accumulated Depreciation	\$ 235,859,457	\$ 31,175,031	\$ (11,631,143)	\$ 255,403,345

**AUBURN SCHOOL DISTRICT
SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
AS OF AUGUST 31, 2013**

FUNCTION & ACTIVITY	BUILDINGS & CONSTRUCTION				TOTALS
	LAND	IMPROVEMENTS	IN PROGRESS	EQUIPMENT	
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					
Learning Resources	-	-	-	72,792	72,792
Teaching	-	-	-	970,572	970,572
Extracurricular	-	-	-	2,959,648	2,959,648
School Buildings	21,671,453	259,128,745	-	299,109	281,099,307
Total	21,671,453	259,128,745	-	4,302,121	285,102,319
CHILD NUTRITION SERVICES					
Operations	-	-	-	295,594	295,594
Total	-	-	-	295,594	295,594
PUPIL TRANSPORTATION					
Supervision	18	4,661,051	-	136,819	4,797,888
Maintenance	-	-	-	11,361,933	11,361,933
Total	18	4,661,051	-	11,498,752	16,159,821
MAINTENANCE & OPERATIONS					
Supervision	1,046,802	4,466,330	-	58,805	5,571,937
Ground Care	-	-	-	357,564	357,564
Operations of Plant	-	-	-	419,450	419,450
Maintenance	-	-	-	513,664	513,664
Total	1,046,802	4,466,330	-	1,349,483	6,862,615
OTHER SERVICES					
Information Tech	-	-	-	948,195	948,195
Printing & Graphics	-	-	-	14,032	14,032
Warehousing	-	-	-	150,291	150,291
Total	-	-	-	1,112,518	1,112,518
CONSTRUCTION IN PROGRESS					
	-	-	54,638,927	-	54,638,927
TOTALS	\$ 22,990,609	\$ 271,361,442	\$ 54,638,927	\$ 18,679,098	\$ 367,670,076

AUBURN SCHOOL DISTRICT NO. 408
SUMMARY AMORTIZATION SCHEDULE FOR ALL OUTSTANDING BONDS
BOND PREMIUM, DISCOUNT, REFUNDING ADJUSTMENT
FOR THE YEAR ENDED AUGUST 31, 2013

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	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	2,966,190	520,047	271,143	5,401,872	2,175,000	154,681	3,402,966	67,354,838
06/01/11	3,087,871	986,728	271,143	5,130,729	1,830,000	154,681	3,248,285	65,099,014
12/01/11	3,058,134	956,991	271,143	4,859,586	1,830,000	154,681	3,093,604	62,843,190
06/01/12	2,995,684	929,541	271,143	5,587,407	1,795,000	154,681	4,047,439	76,759,846
12/01/12	3,775,432	1,166,158	324,274	14,143,184	2,285,000	207,468	5,741,860	163,580,044
06/01/13	2,709,347	2,163,072	546,275	13,596,909	-	255,015	5,486,845	162,778,754
12/01/13	13,893,109	2,581,834	546,275	13,050,634	10,765,000	255,015	5,231,830	151,212,464
06/01/14	4,940,686	2,379,411	546,275	12,504,359	2,015,000	255,014	4,976,816	148,396,175
12/01/14	7,434,161	2,342,886	546,275	11,958,084	4,545,000	255,014	4,721,802	143,049,886
06/01/15	2,811,314	2,265,039	546,275	11,411,809	-	255,014	4,466,788	142,248,597
12/01/15	8,606,312	2,265,037	546,275	10,865,534	5,795,000	255,014	4,211,774	135,652,308
06/01/16	2,671,377	2,125,103	546,274	10,319,260	-	255,014	3,956,760	134,851,020
12/01/16	11,701,377	2,125,095	546,282	9,772,978	9,030,000	255,014	3,701,746	125,019,724
06/01/17	2,476,925	1,986,978	489,947	9,283,031	-	255,014	3,446,732	124,274,763
12/01/17	11,486,924	1,986,977	489,947	8,793,084	9,010,000	255,013	3,191,719	114,519,803
06/01/18	2,328,714	1,838,767	489,947	8,303,137	-	255,013	2,936,706	113,774,843
12/01/18	11,603,712	1,838,765	489,947	7,813,190	9,275,000	255,013	2,681,693	103,754,883
06/01/19	2,169,226	1,679,279	489,947	7,323,243	-	255,013	2,426,680	103,009,923
12/01/19	10,764,224	1,679,277	489,947	6,833,296	8,595,000	255,013	2,171,667	93,669,963
06/01/20	1,982,123	1,511,640	470,483	6,362,813	-	255,013	1,916,654	92,944,467
12/01/20	12,427,123	1,511,640	470,483	5,892,330	10,445,000	255,013	1,661,641	81,773,971
06/01/21	1,738,999	1,268,516	470,483	5,421,847	-	255,013	1,406,628	81,048,475
12/01/21	12,243,998	1,268,516	470,482	4,951,365	10,505,000	255,013	1,151,615	69,817,980
06/01/22	1,488,919	1,233,252	255,667	4,695,698	-	100,333	1,051,282	69,461,980
12/01/22	12,008,919	1,233,252	255,667	4,440,031	10,520,000	100,333	950,949	58,585,980
06/01/23	1,285,901	1,063,900	222,001	4,218,030	-	47,547	903,402	58,316,432
12/01/23	11,565,901	1,063,900	222,001	3,996,029	10,280,000	47,547	855,855	47,766,884
06/01/24	1,080,301	858,300	222,001	3,774,028	-	47,547	808,308	47,497,336
12/01/24	11,160,301	858,300	222,001	3,552,027	10,080,000	47,547	760,761	37,147,788
06/01/25	878,701	656,700	222,001	3,330,026	-	47,547	713,214	36,878,240
12/01/25	7,438,701	656,700	222,001	3,108,025	6,560,000	47,547	665,667	30,048,692
06/01/26	747,501	525,500	222,001	2,886,024	-	47,547	618,120	29,779,144
12/01/26	7,062,501	525,500	222,001	2,664,023	6,315,000	47,547	570,573	23,194,596

AUBURN SCHOOL DISTRICT NO. 408
SUMMARY AMORTIZATION SCHEDULE FOR ALL OUTSTANDING BONDS
BOND PREMIUM, DISCOUNT, REFUNDING ADJUSTMENT
FOR THE YEAR ENDED AUGUST 31, 2013

Date	Payment	Interest Expense	Premium/ Discount Amortized	Unamortized Premium/ Discount	Principal	Refunding Adjustment Amortized	Unamortized Refunding Adjustment	Bond Carrying Value
06/01/27	621,201	399,200	222,001	2,442,022	-	47,547	523,026	22,925,048
12/01/27	6,636,202	399,200	222,002	2,220,020	6,015,000	47,547	475,479	16,640,499
06/01/28	500,902	278,900	222,002	1,998,018	-	47,547	427,932	16,370,950
12/01/28	5,785,902	278,900	222,002	1,776,016	5,285,000	47,548	380,384	10,816,400
06/01/29	395,202	173,200	222,002	1,554,014	-	47,548	332,836	10,546,850
12/01/29	2,995,202	173,200	222,002	1,332,012	2,600,000	47,548	285,288	7,677,300
06/01/30	343,202	121,200	222,002	1,110,010	-	47,548	237,740	7,407,750
12/01/30	2,683,202	121,200	222,002	888,008	2,340,000	47,548	190,192	4,798,200
06/01/31	296,402	74,400	222,002	666,006	-	47,548	142,644	4,528,650
12/01/31	2,331,402	74,400	222,002	444,004	2,035,000	47,548	95,096	2,224,100
06/01/32	255,702	33,700	222,002	222,002	-	47,548	47,548	1,954,550
12/01/32	1,940,703	33,701	222,002	-	1,685,000	47,548	-	-
	<u>\$ 24,785,224</u>	<u>\$ 2,161,201</u>	<u>\$ 2,664,023</u>		<u>\$19,960,000</u>	<u>\$570,573</u>		

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM AND REFUNDING ADJUSTMENT
2004 BONDS
FOR THE YEAR ENDED AUGUST 31, 2013

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
2004 BONDS
FOR THE YEAR ENDED AUGUST 31, 2013

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		4,550,000	
			Refunded May 2012		8,710,000	
			<u>\$ 720,171</u>		<u>\$ 18,000,000</u>	

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM
2005 BONDS

FOR THE YEAR ENDED AUGUST 31, 2013

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>	
	Refunded 1-8-2013				(20,000,000)	
	Balance at 8-31-13				-	

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM AND REFUNDING ADJUSTMENT
2010 BONDS
FOR THE YEAR ENDED AUGUST 31, 2013

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 AND REFUNDING ADJUSTMENT
2012 BONDS
FOR THE YEAR ENDED AUGUST 31, 2013

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>		

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM AND REFUNDING ADJUSTMENT
2013 BONDS
FOR THE YEAR ENDED AUGUST 31, 2013

Date	2013 Unlimited Tax General Obligation and Refunding Bonds							Bond Carrying Value
	Payment	Interest Expense	Premium Amortized	Unamortized Premium	Principal	Refunding Adjustment Amortized	Unamortized Refunding Adjustment	
01/08/13				8,880,051			1,901,889	89,636,940
06/01/13	167,023	1,059,224.37	222,001	8,658,050		47,547	1,854,342	89,367,391
12/01/13	267,023	1,477,987.50	222,001	8,436,048	6,385,000	47,547	1,806,795	82,712,843
06/01/14	166,023	1,382,212.50	222,001	8,214,047	-	47,547	1,759,247	82,443,294
12/01/14	266,023	1,382,212.50	222,001	7,992,046	1,705,000	47,547	1,711,700	80,468,746
06/01/15	165,023	1,356,637.50	222,001	7,770,045	-	47,547	1,664,153	80,199,197
12/01/15	265,023	1,356,637.50	222,001	7,548,043	570,000	47,547	1,616,606	79,359,649
06/01/16	164,023	1,348,087.50	222,001	7,326,042	-	47,547	1,569,058	79,090,100
12/01/16	264,023	1,348,087.50	222,001	7,104,041	3,305,000	47,547	1,521,511	75,515,552
06/01/17	163,023	1,298,512.50	222,001	6,882,039	-	47,547	1,473,964	75,246,003
12/01/17	263,023	1,298,512.50	222,001	6,660,038	2,685,000	47,547	1,426,417	72,291,455
06/01/18	162,023	1,258,237.50	222,001	6,438,037	-	47,547	1,378,869	72,021,906
12/01/18	262,023	1,258,237.50	222,001	6,216,035	2,485,000	47,547	1,331,322	69,267,358
06/01/19	1,442,964	1,220,962.50	222,001	5,994,034	-	47,547	1,283,775	68,997,809
12/01/19	2,742,964	1,220,962.50	222,001	5,772,033	1,300,000	47,547	1,236,228	67,428,261
06/01/20	1,430,401	1,208,400.00	222,001	5,550,032	-	47,547	1,188,681	67,158,712
12/01/20	4,180,401	1,208,400.00	222,001	5,328,030	2,750,000	47,547	1,141,133	64,139,164
06/01/21	1,375,401	1,153,400.00	222,001	5,106,029	-	47,547	1,093,586	63,869,615
12/01/21	3,540,401	1,153,400.00	222,001	4,884,028	2,165,000	47,547	1,046,039	61,435,066
06/01/22	1,332,101	1,110,100.00	222,001	4,662,026	-	47,547	998,492	61,165,518
12/01/22	3,642,101	1,110,100.00	222,001	4,440,025	2,310,000	47,547	950,944	58,585,969
06/01/23	1,285,901	1,063,900.00	222,001	4,218,024	-	47,547	903,397	58,316,421
12/01/23	11,565,901	1,063,900.00	222,001	3,996,022	10,280,000	47,547	855,850	47,766,872
06/01/24	1,080,301	858,300.00	222,001	3,774,021	-	47,547	808,303	47,497,324
12/01/24	11,160,301	858,300.00	222,001	3,552,020	10,080,000	47,547	760,755	37,147,775
06/01/25	878,701	656,700.00	222,001	3,330,019	-	47,547	713,208	36,878,227
12/01/25	7,438,701	656,700.00	222,001	3,108,017	6,560,000	47,547	665,661	30,048,678
06/01/26	747,501	525,500.00	222,001	2,886,016	-	47,547	618,114	29,779,130
12/01/26	7,062,501	525,500.00	222,001	2,664,015	6,315,000	47,547	570,567	23,194,581
06/01/27	621,201	399,200.00	222,001	2,442,013	-	47,547	523,019	22,925,033
12/01/27	6,636,201	399,200.00	222,001	2,220,012	6,015,000	47,547	475,472	16,640,484
06/01/28	500,901	278,900.00	222,001	1,998,011	-	47,547	427,925	16,370,936
12/01/28	5,785,901	278,900.00	222,001	1,776,009	5,285,000	47,547	380,378	10,816,387
06/01/29	395,201	173,200.00	222,001	1,554,008	-	47,547	332,830	10,546,839
12/01/29	2,995,201	173,200.00	222,001	1,332,007	2,600,000	47,547	285,283	7,677,290
06/01/30	343,201	121,200.00	222,001	1,110,006	-	47,547	237,736	7,407,741
12/01/30	2,683,201	121,200.00	222,001	888,004	2,340,000	47,547	190,189	4,798,193
06/01/31	296,401	74,400.00	222,001	666,003	-	47,547	142,641	4,528,644
12/01/31	2,331,401	74,400.00	222,001	444,002	2,035,000	47,547	95,094	2,224,096
06/01/32	255,701	33,700.00	222,001	222,000	-	47,547	47,547	1,954,547
12/01/32	1,940,700	33,700.00	222,000	-	1,685,000	47,547	-	-
	<u>121,315,363</u>	<u>#####</u>	<u>\$8,880,051</u>		<u>\$ 78,855,000</u>	<u>\$ 1,901,889</u>		