

Financial Section

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

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, 2016.

FINANCIAL HIGHLIGHTS

- The district’s net position of governmental activities as of August 31, 2016 was \$170,973,684.
- During the year, the district had revenues that were \$15.1 million greater than the \$209.9 million in expenses incurred for all governmental activities.
- The general fund revenues exceeded expenditures by \$3,917,831.
- In the coming school year 2016-17, The Board of Directors of the Auburn School District No. 408 adopted Resolution No. 1220 concerning a proposition to reduce overcrowding, modernize learning environments, and improve safety. This proposition will authorize the District to construct and equip two new elementary schools; rebuild and equip Chinook Elementary, Dick Scobee Elementary, Lea Hill Elementary, Pioneer Elementary, Terminal Park Elementary schools and Olympic Middle School. The funds may also be used to acquire sites as needed to accomplish these capital projects. The proposition authorizes the District to issue \$456,056,000 of general obligation bonds and to levy property taxes annually to repay the bonds over a period of 20 years.

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. 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 this fund are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET POSITION

The financial statements of the district present an increased financial position as reflected in the statement of net position. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash was received or paid.

These statements report the district's net position and changes in them. The district's net position (the difference between assets and liabilities/deferred inflows) may be viewed as one way to measure the district's financial health or financial position.

Auburn School District's assets exceeded liabilities by \$170,973,684 at the end of the fiscal year, August 31, 2016.

The **INCREASE** in total net position for the year was \$14,062,933. Key elements of this increase are as follows:

Auburn School District's Net Position			
August 31, 2016 and 2015			
	Governmental Activities		
	2016	2015	Change
Current and other assets	\$109,121,201	\$ 107,150,872	\$ 1,970,329
Capital assets	344,672,286	341,116,463	3,555,823
Deferred charges on refunding	3,939,095	4,448,114	(509,019)
Deferred outflows on pensions	12,896,195	4,703,129	8,193,066
Total Assets & Deferred Outflows	\$470,628,777	\$457,418,578	\$13,210,199
			-
Other liabilities	5,140,630	10,369,853	(5,229,223)
Long-term debt outstanding	292,788,400	277,834,438	14,953,962
Deferred inflows on pensions	1,726,063	12,435,991	(10,709,928)
Total Liabilities & Deferred Inflows	299,655,093	300,640,282	(985,189)
			-
Net Position			-
Net investment in capital assets	181,169,526	180,154,494	1,015,032
Restricted	45,415,030	27,571,360	17,843,670
Unrestricted	(55,610,872)	(50,947,558)	(4,663,314)
Total Net Position	\$170,973,684	\$156,778,296	\$14,195,388

By far, the largest portion of the Auburn School District's net position (73%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The Auburn School District uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although, the Auburn School District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Auburn School District's net position (27%) represents resources that are subject to external restrictions on how they may be used.

STATEMENT OF ACTIVITIES

Governmental activities improved the district’s overall financial position, increasing the district’s net position by \$14,062,933. 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, 2016 and 2015			
<u>Revenues</u>	2016	2015	Changes
Program Revenues			
Charges for services	\$5,587,997	\$ 4,982,693	\$ 605,304
Operating grants and contributions	52,682,617	52,591,086	91,531
Capital grants and contributions	3,119,462	2,593,835	525,627
General revenues			
Property taxes for levies for educational programs	39,871,612	37,948,616	1,922,996
Property taxes for levies for debt service	17,250,630	10,862,080	6,388,550
Property taxes for levies for capital improvements and technology	1,263,161	9,941,113	(8,677,952)
Unallocated state apportionment and other	-	-	-
Interest and investment earnings	104,950,853	91,291,659	13,659,194
Interest and investment earnings	580,856	499,289	81,567
Total Revenues	<u>225,307,188</u>	<u>210,710,371</u>	<u>14,596,817</u>
<u>Expenses</u>			
Regular instruction	120,063,554	99,499,733	20,563,821
Special instruction	24,574,378	21,915,880	2,658,498
Vocational instruction	7,084,268	6,736,229	348,039
Compensatory education	15,168,627	13,072,853	2,095,774
Other instructional programs	1,120,813	1,438,772	(317,960)
Community services	1,075,778	994,727	81,051
Support services	20,286,010	19,105,868	1,180,142
Child nutrition services	6,107,915	6,067,066	40,849
Pupil transportation services	7,732,771	7,219,884	512,887
Extracurricular activities (ASB)	2,333,145	2,189,386	143,759
Interest on long-term debt	5,696,997	5,932,437	(235,440)
Total Expenses	<u>211,244,255</u>	<u>184,172,835</u>	<u>27,071,420</u>
Increase (decrease) in Net Position	14,062,933	26,537,536	(12,474,603)
Beginning Net Position	156,778,296	223,910,984	(67,132,688)
Cumulative Change in Accounting Principle Pensions	-	(93,541,690)	93,541,690
Other Prior Period Adjustments	132,455	(128,534)	260,989
Ending Net Position	<u>\$ 170,973,684</u>	<u>\$ 156,778,296</u>	<u>\$ 14,195,388</u>

The largest revenue increase of \$13.6 million was the states construction match portion for the High School Project. Also, the increase in general apportionment is due to an increase in enrollment.

The largest revenue decrease of slightly under \$8.6 million is in the property taxes for levies for debt service. This is due to the differences between the calendars 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 2016.

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 \$70,092,896 and increase of \$6,734,117 over the prior year combined fund balance of \$63,358,779. This change is primarily the result of the spend down of the capital projects fund balance which is financing the Auburn High School remodel project. The increase in enrollment also helped revenues exceed expenditures in the general fund.

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.

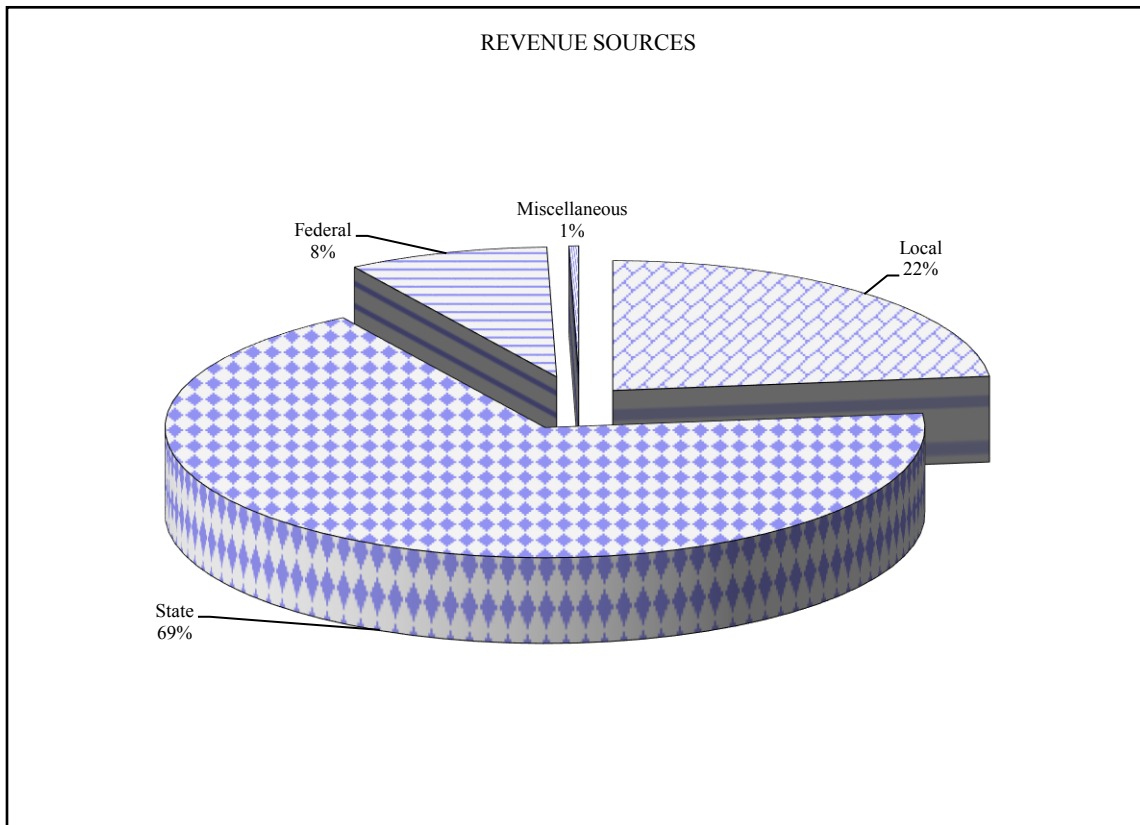
GENERAL FUND REVENUES

Revenues for the General Fund totaled \$188,864,146 in the fiscal year ending August 31, 2016. This was \$20,205,634 or 11.98% more than the prior year. The State of Washington provides over 69% or the largest portion of the District’s revenue. Local revenues from local property taxes, and local fees and charges account for over 22% of total revenues. Federal grants provide just over 8% of revenue.

GENERAL FUND REVENUES

<u>Revenue Source</u>	2015-16	2014-15	Increase (Decrease) Amount	Increase (Decrease) Percent
Local Taxes & Non-taxes	\$41,818,590	\$ 38,612,602	\$ 3,205,988	8.30%
State Revenues	130,555,954	114,521,643	16,034,311	14.00%
Federal Revenues	15,788,644	14,977,095	811,549	5.42%
Other Revenues	700,958	547,172	153,786	28.11%
Totals	\$ 188,864,146	\$ 168,658,512	\$ 20,205,634	11.98%

The increase of \$16,034,311 state revenues is due to an increase in enrollment, additional MSOC funding, and the addition of the new full day kindergarten funding. Federal revenues increased slightly by \$811,549 primarily due to the Districts participation in the Race to the Top grant.



GENERAL FUND EXPENDITURES

Expenditures in the General Fund totaled \$184,954,564 for the fiscal year. This represents an increase of \$17,193,177 or 10.25% over the prior year.

<u>GENERAL FUND EXPENDITURES</u>	2015-16	2014-15	Increase (Decrease) Amount	Increase (Decrease) Percent
Current				
Regular Instruction	\$105,595,810	\$94,453,405	\$ 11,142,405	11.80%
Special Education	23,339,986	20,973,072	2,366,914	11.29%
Vocational Instruction	6,622,913	6,289,673	333,240	5.30%
Compensatory Education	14,286,026	12,400,497	1,885,529	15.21%
Other Instructional Programs	1,057,625	1,358,427	(300,802)	-22.14%
Community Services	1,044,885	891,328	153,557	17.23%
Support Services	19,492,151	18,692,312	799,839	4.28%
Child Nutrition Services	6,011,583	5,959,847	51,736	0.87%
Pupil Transportation Services	6,878,537	6,311,305	567,232	8.99%
Capital Outlay				
Equipment	625,048	431,521	193,527	44.85%
Totals	\$184,954,564	\$ 167,761,387	\$ 17,193,177	10.25%

Increases of \$11.1 million in state funded regular instructional expenditures, \$2,366,914 in special education instructional expenditures and \$333,240 in vocational instruction were the result of increased student enrollments.

Compensatory education expenditures increased by \$1,885,529 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.

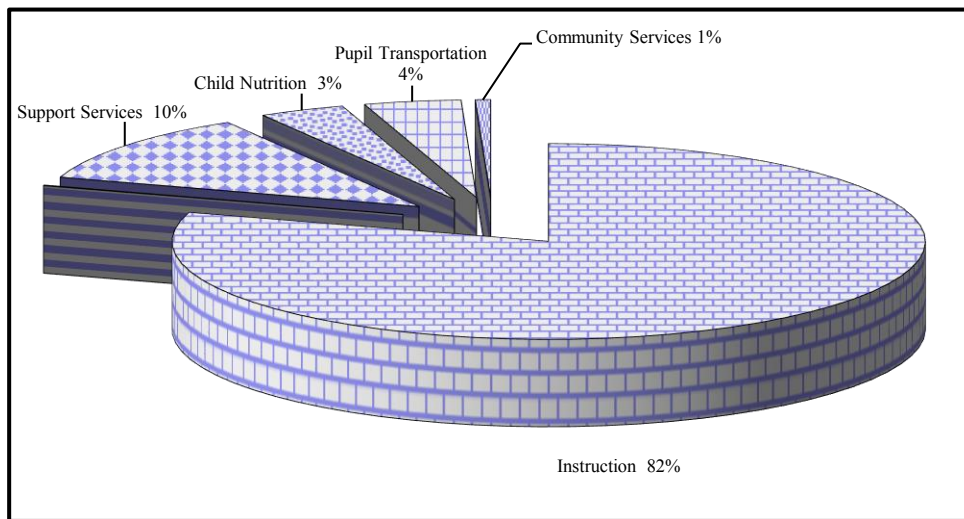
Child Nutrition cost's increased by \$51,736 last year due to the new federal nutrition guidelines. New guidelines define what types of ingredients the District can purchase, and ultimately serve for student meals.

Pupil Transportation costs increased by 8.99% or \$567,232 during the year. The increase was due to hiring additional staff to transport increasing enrollment.

Special Education expenditures increase by \$2,366,914 during the year. Increased costs occurred due to an increased need to provide services for a growing special needs student population.

Other Instructional expenditures decreased mainly due to the Gates grant closing out.

EXPENDITURE USES



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 2015-16 budget adopted by the Board of Directors for the district totaled \$273,109,977.00 including General Fund appropriations of \$195,187,148, Special Revenue Fund (ASB) appropriations of \$4,256,116, Debt Service Fund appropriations of \$13,107,213 Capital Projects Fund appropriations of \$58,899,500 and Transportation Vehicle Fund appropriations totaling \$1,660,000.

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

- Total actual general fund revenues were \$2,880,085 less than budgeted. Almost all of that decrease was due to an over estimation of local non tax revenue received.
- Expenditures of \$184,954,564 were \$10,232,584 less than budgeted as a result of conservative budget practices.

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

- State revenues were \$2,058,088 less than budgeted due to the District receiving less in state match revenue due to the Auburn High School project winding down.
- Expenditures were \$40,709,259 million less than budgeted. Expenditures are largely based on the progress of the Auburn High School re model project.
- Revenues were less than projected in the Associated Study Body Fund by approximately \$1.9 million and expenditures were less than projected by \$1.9 million. Students and their adult advisors did an outstanding job of living within their budget.
- Transportation Vehicle expenditures were \$1,660,000 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, 2016 amounted to \$278,494,387 (net of accumulated depreciation of \$132,980,313). This investment in capital assets includes land, buildings, land and building improvements, furniture and equipment.

During the fiscal year, \$16,798,635 was added to buildings for improvements that met the capitalization policy of \$100,000. In addition, \$599,236 was added to equipment that met the capitalization policy of \$5,000 per unit, and \$5,055,112 was taken out from construction in progress primarily for projects finalized. Surplused equipment that originally cost \$407,571 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	\$40,494,475	\$ (302,368)	40,192,107
Building & Improvements	391,667,787	(117,526,872)	274,140,915
Equipment	19,806,912	(15,151,073)	4,655,839
Construction In Progress	25,683,425	-	25,683,425
Total	\$477,652,599	\$ (132,980,313)	\$ 344,672,286

DEBT ADMINISTRATION

At the end of the current fiscal year, the district had \$155,750,000 in unlimited general obligation bonds outstanding. This debt is secured by a pledge of the full faith and credit of the district. \$10,635,000 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, 2016, the maximum GO debt authorized by statutory limit was \$455.9 million. The district had \$155,750,000 of debt outstanding at August 31, 2016, that was subject to that limitation. With \$7.8 million of assets in the Debt Service Fund available for payment of principal, there is a legal debt margin of \$299.9 million.

The district's most recent underlying bond rating from Moody's is Aa2.

See Note 8, Long-Term Liabilities, for more information.

NEXT YEAR'S APPROPRIATIONS AND BUDGET RATES

The 2016-17 appropriations for governmental funds of the district were approved at \$264,802,813, a decrease of 3% from total appropriations of \$273,109,977 million last year.

Property tax rates of \$5.83 per \$1,000 were projected for 2017, consistent with the 2016 actual tax rates of \$5.83 per \$1,000.

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

Troy Dammell
Executive Director of Business Services
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915 4th Street NE
Auburn, WA 98002

Government-Wide Financial Statements

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

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

The Statement of 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, 2016

		Primary Government
	Note #	Governmental Activities
ASSETS		
Cash and cash equivalents	1.E.1 and 2	\$ 70,408,519
Property tax receivable	1.E.2	35,243,452
Receivables, net	1.E.3	251,260
Due from other governments	1.E.5	2,822,367
Inventories	1.E.6	395,601
Capital assets, net of accumulated depreciation, where applicable:		
Land	4	40,192,107
Buildings & Improvements		274,140,915
Equipment		4,655,839
Construction in Progress	5	25,683,425
TOTAL ASSETS		453,793,487
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding		3,939,095
Pension Plan Investment Earnings & Charges in Proportion (net difference)	6	7,025,803
Pension Plan Experience Difference	6	2,420,392
Pension Plan Assumption Changes	6	351,011
Pension Plan Changes in Proportions	6	603,809
Pension Plan Contributions	6	2,495,179
TOTAL DEFERRED OUTFLOWS OF RESOURCES		16,835,290
LIABILITIES		
Accounts payable		2,959,943
Accrued wages and benefits payable		502,979
Due to other governments		44,035
Accrued interest		1,462,611
Unearned revenue	1.E.9	171,062
Net Pension Liability	8	101,073,324
Long-Term liabilities		
Due within one year	8	12,273,494
Due in more than one year		179,441,581
TOTAL LIABILITIES		297,929,030
DEFERRED INFLOWS OF RESOURCES		
Pension Plan Experience Difference	6	988,707
Pension Plan Changes in Proportions	6	737,357
TOTAL DEFERRED INFLOWS OF RESOURCES		1,726,063
NET POSITION		
Net investment in capital assets		181,169,526
Restricted for:		
Child nutrition services		2,533,213
Carryovers		389,618
Student activities		1,453,406
Debt service		7,857,971
Capital projects		8,348,525
State Proceeds		21,835,336
Acquisition of school buses		2,996,961
Unrestricted		(55,610,872)
TOTAL NET POSITION		\$ 170,973,684

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, 2016

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	\$ 120,063,554	\$ 405,830	\$ 1,013,667	\$ 2,338,096	\$ (116,305,960)
Special Instruction	24,574,378	-	14,532,580	-	(10,041,798)
Vocational Instruction	7,084,268	344,767	126,673	-	(6,612,828)
Compensatory Education	15,168,627	-	13,661,217	-	(1,507,410)
Other Instructional Programs	1,120,813	168,591	11,440,580	-	10,488,359
Community Services	1,075,778	460,364	-	-	(615,414)
Support Services	20,286,010	587,147	-	-	(19,698,863)
Child Nutrition Services	6,107,915	1,304,909	5,739,945	-	936,939
Pupil Transportation Services	7,732,771	-	6,167,955	781,365	(783,451)
Extracurricular Activities (ASB)	2,333,145	2,316,388	-	-	(16,756)
Interest Expense on Long-Term Debt	5,696,997	-	-	-	(5,696,997)
Total Governmental Activities	\$ 211,244,255	\$ 5,587,997	\$ 52,682,617	\$ 3,119,462	\$ (149,854,179)

General Revenues:

Taxes:

Property taxes, levies for educational and other programs	39,871,612
Property taxes, levies for debt service	17,250,630
Property taxes, levies for capital improvements and technology	1,263,161
Unallocated State Apportionment & Others	104,950,853
Interest and Investment earnings	580,856

Total General Revenues and Special Items**163,917,112****Changes in Net Position****14,062,933****Net Position - Beginning****156,778,296****Prior Period Adjustment (See Note 15)****132,455****Net Position - Ending****\$ 170,973,684**

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 (Bond 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, 2016

	GENERAL FUND	SPECIAL REVENUE FUND (ASB)	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANSPORTATION VEHICLE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:						
Cash and Cash Equivalents	\$ 13,725,606	\$ 1,706,019	\$ 7,862,894	\$ 44,117,672	\$ 2,996,329	\$ 70,408,519
Property Tax Receivable	19,016,579	-	7,830,062	1,841,508	(48)	28,688,101
Accounts Receivable, Net	201,385	-	-	-	-	201,385
Interest Receivable	10,768	1,077	5,565	30,867	1,597	49,875
Interfund Receivable	5,777	-	-	15,505	-	21,281
Due From Other Government Units	2,197,400	-	-	624,968	-	2,822,367
Inventories at Cost	395,350	251	-	-	-	395,601
TOTAL ASSETS	35,552,865	1,707,347	15,698,521	46,630,520	2,997,877	102,587,131
LIABILITIES:						
Accounts Payable	1,530,927	80,851	10,488	1,337,676	-	2,959,943
Accrued Liabilities	502,979	-	-	-	-	502,979
Due to Other Governments	8,070	1,529	-	33,472	964	44,035
Interfund Payable	15,855	5,427	-	-	-	21,281
Unearned Revenue-Other	1,125	165,883	-	4,054	-	171,062
TOTAL LIABILITIES	2,058,955	253,690	10,488	1,375,203	964	3,699,300
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue-Property Taxes	19,016,579	-	7,830,062	1,841,508	(48)	28,688,101
Unavailable Revenue - Other	106,834	-	-	-	-	106,834
TOTAL DEFERRED INFLOWS OF RESOURCES	19,123,413	-	7,830,062	1,841,508	(48)	28,794,935
FUND BALANCES:						
Nonspendable: Inventories	395,350	251	-	-	-	395,601
Restricted:						
Child Nutrition Federal Grant	2,533,213	-	-	-	-	2,533,213
Carryovers	389,618	-	-	-	-	389,618
Student Activities	-	1,453,406	-	-	-	1,453,406
Debt Service	-	-	7,857,971	-	-	7,857,971
Bond Issue Project	-	-	-	8,348,525	-	8,348,525
State Proceeds	-	-	-	21,835,336	-	21,835,336
Acquisition of School Buses	-	-	-	-	2,996,961	2,996,961
Committed:						
Capital Levy Projects	-	-	-	7,104,067	-	7,104,067
Technology Levy Projects	-	-	-	(893,742)	-	(893,742)
Held for Employee Benefits	156,312	-	-	-	-	156,312
Assigned:						
Other Capital Projects	-	-	-	7,019,623	-	7,019,623
Other Purposes	2,100,000	-	-	-	-	2,100,000
Unassigned	8,796,004	-	-	-	-	8,796,004
TOTAL FUND BALANCES	14,370,497	1,453,658	7,857,971	43,413,809	2,996,961	70,092,896
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 35,552,865	\$ 1,707,347	\$ 15,698,521	\$ 46,630,520	\$ 2,997,877	\$ 102,587,131

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, 2016

	Total Governmental Funds	Long-Term Assets, Liabilities *	Reclassifications and Eliminations*	Statement of Net Position Totals
ASSETS				
Cash and Cash Equivalents	\$ 70,408,519	\$ -	\$ -	\$ 70,408,519
Property Tax Receivable	28,688,101	6,555,351	-	35,243,452
Receivables, Net	201,385	-	-	201,385
Interest Receivable	49,875	-	-	49,875
Interfund Receivable	21,281	-	(21,281)	-
Due from Other Governments	2,822,367	-	-	2,822,367
Inventories	395,601	-	-	395,601
Capital Assets, Net	-	344,672,286	-	344,672,286
TOTAL ASSETS	102,587,131	351,227,638	(21,281)	453,793,487
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	-	3,939,095	-	3,939,095
Pension Plan Investment Earnings & Charges in Proportion (net difference)	-	7,025,803	-	7,025,803
Pension Plan Experience Difference	-	2,420,392	-	2,420,392
Pension Plan Assumption Changes	-	351,011	-	351,011
Pension Plan Changes in Proportions	-	603,809	-	603,809
Pension Plan Contributions	-	2,495,179	-	2,495,179
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	16,835,290	-	16,835,290
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	102,587,131	368,062,928	(21,281)	470,628,777
LIABILITIES				
Accounts Payable	2,959,943	-	-	2,959,943
Accrued Liabilities	502,979	-	-	502,979
Due to Other Governments	44,035	-	-	44,035
Interfund Payable	21,281	-	(21,281)	0
Accrued Interest	-	1,462,611	-	1,462,611
Unearned Revenue-Other	171,062	-	-	171,062
Long-Term Liabilities - Pension	-	101,073,324	-	101,073,324
Long-Term Liabilities - Non Pension	-	191,715,075.51	-	191,715,076
TOTAL LIABILITIES	3,699,300	294,251,011	(21,281)	297,929,030
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue-Property Taxes	28,794,935	(28,794,935)	-	-
Pension Plan Experience Difference	-	988,707	-	988,707
Pension Plan Changes in Proportions	-	737,357	-	737,357
TOTAL DEFERRED INFLOWS OF RESOURCES	28,794,935	(27,068,872)	-	1,726,063
FUND BALANCES				
Total Fund Balances	70,092,896	100,880,788.59	-	170,973,684
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 102,587,131	\$ 368,062,928	\$ (21,281)	\$ 470,628,778

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

* See Note 10A

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2016

	GENERAL FUND	SPECIAL REVENUE FUND (ASB)	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANSPORTATION VEHICLE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Local Taxes	\$ 37,525,654	\$ -	\$ 14,716,078	\$ 5,746,591	\$ 8	\$ 57,988,331
Local Non-Tax	4,292,936	2,330,145	55,605	2,699,839	18,650	9,397,174
State, General Purpose	103,776,587	-	-	-	-	103,776,587
State, Special Purpose	26,779,366	-	-	9,564,157	781,365	37,124,889
Federal, General Purpose	6,537	-	-	-	-	6,537
Federal, Special Purpose	15,782,107	-	-	-	-	15,782,107
Revenues From Other Sources	700,958	-	-	-	125,283	826,241
TOTAL REVENUES	188,864,146	2,330,145	14,771,682	18,010,587	925,307	224,901,866
EXPENDITURES						
Current:						
Regular Instruction	105,595,810	-	-	-	-	105,595,810
Special Instruction	23,339,986	-	-	-	-	23,339,986
Vocational Instruction	6,622,913	-	-	-	-	6,622,913
Compensatory Education	14,286,026	-	-	-	-	14,286,026
Other Educational Programs	1,057,625	-	-	-	-	1,057,625
Community Services	1,044,885	-	-	-	-	1,044,885
Support Services	19,492,151	-	-	-	-	19,492,151
Child Nutrition Services	6,011,583	-	-	-	-	6,011,583
Pupil Transportation Services	6,878,537	-	-	-	-	6,878,537
Extracurricular Activities (ASB)	-	2,333,145	-	-	-	2,333,145
Debt Service:						
Principal	-	-	6,535,000	-	-	6,535,000
Interest and Other Charges	-	-	6,572,213	-	-	6,572,213
Capital Outlay:						
Sites	-	-	-	9,614	-	9,614
Buildings	-	-	-	14,371,715	-	14,371,715
Equipment	625,048	-	-	3,276,025	-	3,901,074
Energy	-	-	-	256,179	-	256,179
TOTAL EXPENDITURES	184,954,564	2,333,145	13,107,213	17,913,533	-	218,308,455
Excess of Revenues Over (Under) Expenditures	3,909,581	(3,000)	1,664,470	97,053	925,307	6,593,411
OTHER FINANCING SOURCES (USES)						
Sale of Equipment	8,250	-	-	-	-	8,250
TOTAL OTHER FINANCING SOURCES (USES)	8,250	-	-	-	-	8,250
NET CHANGE IN FUND BALANCE	3,917,831	(3,000)	1,664,470	97,053	925,307	6,601,661
Fund Balances - September 1	10,452,666	1,456,658	6,193,501	43,316,756	2,071,654	63,491,235
Fund Balances - August 31	\$ 14,370,497	\$ 1,453,658	\$ 7,857,971	\$ 43,413,809	\$ 2,996,961	\$ 70,092,896

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

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

August 31, 2016

	Total Governmental Funds	Long-Term Revenue, Expenses *	Capital Related items *	Long-Term Debt Transactions *	Statement of Activities Totals
REVENUES AND OTHER SOURCES					
Property Taxes	\$ 57,988,331	\$ 397,072	\$ -	\$ -	\$ 58,385,403
Local Non-Taxes	9,397,174	-	8,250	-	9,405,424
State, General Purpose	103,776,587	-	-	-	103,776,587
State, Special Purpose	37,124,889	-	-	-	37,124,889
Federal, General Purpose	6,537	-	-	-	6,537
Federal, Special Purpose	15,782,107	-	-	-	15,782,107
Revenues From Other Sources	826,241	-	-	-	826,241
TOTAL	224,901,866	397,072	8,250	-	225,307,188
EXPENDITURES/EXPENSES					
Current:					
Regular Instruction	105,595,810	2,580,483	11,887,260	-	120,063,554
Special Instruction	23,339,986	407,836	826,556	-	24,574,378
Vocational Instruction	6,622,913	91,829	369,526	-	7,084,268
Compensatory Education	14,286,026	189,367	693,234	-	15,168,627
Other Instructional Programs	1,057,625	1,779	61,410	-	1,120,813
Community Services	1,044,885	30,893	-	-	1,075,778
Support Services	19,492,151	395,063	398,796	-	20,286,010
Child Nutrition Services	6,011,583	93,320	3,012	-	6,107,915
Pupil Transportation Services	6,878,537	124,192	730,042	-	7,732,771
Extracurricular Activities (ASB)	2,333,145	-	-	-	2,333,145
Debt Service:					
Principal	6,535,000	-	-	(6,535,000)	-
Interest and Other Charges	6,572,213	-	-	(875,216)	5,696,997
Capital Outlay:					
Sites	9,614	-	(9,614)	-	-
Buildings	14,371,715	-	(14,371,715)	-	-
Equipment	3,901,074	-	(3,901,074)	-	-
Energy	256,179	-	(256,179)	-	-
TOTAL EXPENDITURES/EXPENSES	218,308,455	3,914,762	(3,568,746)	(7,410,216)	211,244,255
EXCESS OF REVENUES OVER UNDER EXPENDITURES					
	6,593,411	(3,517,689)	3,576,996	7,410,216	14,062,933
OTHER FINANCING SOURCES (USES)					
Sale of Equipment	8,250	-	(8,250)	-	-
TOTAL OTHER FINANCING SOURCES (USES)					
	8,250	-	(8,250)	-	-
NET CHANGE FOR THE YEAR					
	\$ 6,601,661	\$ (3,517,689)	\$ 3,568,746	\$ 7,410,216	\$ 14,062,933

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

* See Note 10B

Fiduciary Funds Financial Statements

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

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



AUBURN SCHOOL DISTRICT NO. 408
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
August 31, 2016

		Private Purpose Trust Fund
ASSETS		
Cash and Cash Equivalents	\$	617,209
Due From Other Funds		-
Interest Receivable		444
TOTAL ASSETS	\$	617,653
LIABILITIES		
Accounts Payable		34,461
Due to Other Funds		
TOTAL LIABILITIES		34,461
NET POSITION		
Held in Trusts for Scholarships and Student Aid		583,193
NET POSITION	\$	583,193

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, 2016

	Private Purpose Trust Fund
ADDITIONS	
Donations	\$ 246,017
Investment Earnings	-
Total Additions	246,017
DEDUCTIONS	
Scholarships	201,428
Loss On Investments	-
Total Deductions	201,428
Change in Net Position	44,590
Net Position, Beginning of the year	538,603
Net Position, End of the year	\$ 583,193

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, 2016

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 is used by a district in its fiduciary capacity as trustee for assets held for individuals, private organizations, and other governments.

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

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. This fund is 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 any time 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, 2016, total district cash and cash equivalents were \$71,025,728. Of that amount, \$70,408,519 was in the governmental funds and \$617,209 was in the fiduciary funds. At August 31, 2016 total district imprest funds were \$66,456, total district cash on hand was \$0, total district warrants outstanding were \$2,448,466 and the fair market value of the districts funds in the King County Investment Pool was \$71,025,728. 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, 2016, such securities comprised 0.1% of the Pool's portfolio. As of August 31, 2016, the district's funds invested in the Pool comprised 1.22% 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 \$2,822,367 of receivables for federal grants of \$2,197,400, and local government impact fees of \$624,968. 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.

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, which 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, 2016 was \$2,247,532 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, 2016, vacation leave payable, estimated to be \$1,486,743 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 \$73,407,738, the warrants outstanding were \$2,448,466 and the petty cash, change funds and cash on hand totaled \$11,456. Total district cash and cash equivalents were \$71,025,728. Of this amount, \$70,408,519 were in governmental funds and \$617,209 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.

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, 2016, the fair value of the district investment in the pool was \$73,407,738 with an effective duration of 1.00 years. The pool is not registered by the SEC and does not operate in a manner consistent with the SEC's rule 2a7 which would allow it to be treated as a money market fund for basis of presentation.

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

All investments in cash equivalents are stated at fair value. Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between willing parties. Fair value for the King County Investment Pool is provided by the County's safekeeping bank or Bloomberg L.P., a provider of fixed income analytics, market monitors, and security pricing. The net increase in fair value of the district's proportionate share of the King County Investment Pool for 2015-16 was \$127,760. This increase has been recognized and reported against investment income.

Impaired Investments.

As of August 31, 2016, 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 \$124,799 and the District's fair value of these investments is \$127,760.

Interest Rate Risk.

As of August 31, 2016, the Pool's average duration was 0.97 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, 2016, 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, 2016, 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	\$ 5,777	\$ 15,855
Capital Projects Fund	15,505	\$ -
ASB Fund	-	5,427
Tran Vehicle	-	-
Total	\$ 21,281	\$ 21,281

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 \$18,685,772. Of this amount \$176,344 was disbursed to the Fiduciary funds and the difference 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 \$331,406,577 on August 31, 2016. In the opinion of the district’s insurance consultant, the amount is sufficient to adequately fund replacement of the district’s assets.

	Balance 9/1/2015	Additions	Deletions	Balance 8/31/2016
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 40,494,475	\$ -	\$ -	\$ 40,494,475
Construction in progress	30,738,537	(5,055,112)		25,683,425
Total capital assets, not being depreciated	71,233,012	(5,055,112)	-	66,177,900
Capital assets, being depreciated:				
Buildings and improvements	374,869,152	16,798,635		391,667,787
Furniture and equipment	19,615,247	599,236	(407,571)	19,806,913
Total capital assets, being depreciated	394,484,399	17,397,871	(407,571)	404,479,450
Less: accumulated depreciation				
Buildings and improvements	(110,090,154)	(7,739,085)		(117,829,240)
Furniture and equipment	(14,510,794)	(1,047,850)	407,571	(15,151,073)
Total accumulated depreciation	(124,600,948)	(8,786,935)	407,571	(132,980,313)
Total capital assets, being depreciated, net	269,883,451	8,610,936	-	278,494,387
Governmental activities capital assets, net	\$ 341,116,463	\$ 3,555,824	\$ -	\$ 344,672,287

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	\$ 5,838,284
Special instruction	826,556
Vocational instruction	368,933
Compensatory education	693,234
Other instructional programs	61,410
Support services	266,472
Child Nutrition services	2,005
Transportation services	730,042
ASB	-
Total depreciation expense	
charged to governmental activities	<u>\$ 8,786,935</u>

NOTE 5. CONSTRUCTION IN PROGRESS

Project	Authorized	Expended	Committed
Auburn High School Modernization	\$ 60,000,000	\$ 2,398,478	\$ 36,067,992
Future School Sites	4,515,088	4,402,831	-
Multi-Facility Phase 2 Energy Improvements		5,885,751	-
West Auburn High Improvements		239,771	
Cascade & Mt Baker Improvements		3,998,078	
Lakeview Elementary Improvements		2,749,766	-
Multi-Facility Portables		3,476,978	
Multi-Facility Fiber Optic Project	621,798	621,798	-
Multi-Facility Energy Upgrades		333,745	
Multi-Facility Wireless		443,243	
Other Improvements		1,132,985	
Totals Construction in Progress	<u>\$ 65,136,886</u>	<u>\$ 25,683,425</u>	<u>\$ 36,067,992</u>

NOTE 6. PENSION PLANS

General Information

The Washington State Department of Retirement Systems (DRS), a department within the primary government of the state of Washington, prepares a stand-alone comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each pension plan. The pension plan's basic financial statement is accounted for using the accrual basis of accounting. The measurement date of the pension plans is June 30. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of pension plans administered by DRS and additions to/deductions from the plans' net position have been determined on the same basis as they are reported by the plans.

Detailed information about the pension plans' fiduciary net position is available in the separately issued DRS CAFR. Copies of the report may be obtained by contacting the Washington State Department of Retirement Systems, P.O. Box 48380, Olympia, WA 98504-8380; or online at <http://www.drs.wa.gov/administrations/annual-report>.

Membership Participation

Substantially all school district full-time and qualifying part-time employees participate in one of the following three contributory, multi-employer, cost-sharing statewide retirement systems managed by DRS: Teachers' Retirement System (TRS), Public Employees' Retirement System (PERS) and School Employees' Retirement System (SERS).

Membership participation by retirement plan as of June 30, 2016, was as follows:

Plan	Active Members	Inactive Vested Members	Retired Members
PERS 1	3,230	827	49,417
SERS 2	26,127	5,704	7,391
SERS 3	32,409	7,899	6,715
TRS 1	962	223	34,859
TRS 2	17,612	2,443	4,700
TRS 3	53,417	8,373	8,866

The latest actuarial valuation date for all plans was June 30, 2014.

Source: Washington State Office of the State Actuary

Membership & Plan Benefits

Certificated employees are members of TRS. Classified employees are members of PERS (if Plan 1) or SERS. Plan 1 under the TRS and PERS programs are defined benefit pension plans whose members joined the system on or before September 30, 1977. TRS 1 and PERS 1 are closed to new entrants.

TRS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component. TRS eligibility for membership requires service as a certificated public school employee working in an instructional, administrative or supervisory capacity.

TRS is comprised of three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

TRS Plan 1 provides retirement, disability and death benefits. TRS 1 members were vested after the completion of five years of eligible service. Retirement benefits are determined as two percent of the average final compensation (AFC), for each year of service credit, up to a maximum of 60 percent, divided by twelve. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two. Members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. Other benefits include temporary and permanent disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

TRS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (AFC) per year of service for Plan 2 members and one percent of AFC for Plan 3 members. The AFC is the monthly average of the 60 consecutive highest-paid service credit months. There is no cap on years of service credit. Members are eligible for normal retirement at the age of 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. TRS Plan 2/3 members, who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a reduced benefit.

The benefit is reduced by a factor that varies according to age, for each year before age 65. TRS Plan 2/3 members who have 30 or more years of service credit, were hired prior to May 1, 2013, and are at least 55 years old, can retire under one of two provisions: With a benefit that is reduced by three percent for each year before age 65; or with a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

TRS Plan 2/3 members hired on or after May 1, 2013, have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service.

TRS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit.

Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the Consumer Price Index), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

PERS Plan 1 provides retirement, disability and death benefits. PERS 1 members were vested after the completion of five years of eligible service. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service.

Members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

SERS is a cost-sharing multiple-employer retirement system comprised of two separate plans for membership purposes. SERS Plan 2 is a defined benefit plan and SERS Plan 3 is a defined benefit plan with a defined contribution component. SERS members include classified employees of school districts and educational service districts.

SERS is reported as two separate plans for accounting purposes: Plan 2/3 and Plan 3. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

SERS provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and one percent of AFC for Plan 3. The AFC is the monthly average of the member's 60 highest-paid consecutive service months before retirement, termination or death. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. SERS members, who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a reduced benefit.

The benefit is reduced by a factor that varies according to age, for each year before age 65. SERS members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions, if hired prior to May 2, 2013: With a benefit that is reduced by three percent for each year before age 65; or with a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

SERS members hired on or after May 1, 2013, have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service. SERS retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the Consumer Price Index), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

Plan Contributions

The employer contribution rates for PERS, TRS, and SERS (Plans 1, 2, and 3) and the TRS and SERS Plan 2 employee contribution rates are established by the Pension Funding Council based upon the rates set by the Legislature. The methods used to determine the contribution requirements are established under chapters 41.40, 41.32, and 41.35 RCW for PERS, TRS and SERS respectively. Employers do not contribute to the defined contribution portions of TRS Plan 3 or SERS Plan 3. Under current law the employer must contribute 100 percent of the employer-required contribution. The employee contribution rate for Plan 1 in PERS and TRS is set by statute at six percent and does not vary from year to year.

The Employer and employee contribution rates for the PERS plan are effective as of July 1. SERS and TRS contribution rates are effective as of September 1. The pension plan contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

Pension Rates			
	7/1/16 Rate	7/1/15 Rate	
PERS 1			
Member Contribution Rate	6.00%	6.00%	
Employer Contribution Rate	11.18%	11.18%	
Pension Rates			
	9/1/16 Rate	9/1/15 Rate	
TRS 1			
Member Contribution Rate	6.00%	6.00%	
Employer Contribution Rate	13.13%	13.13%	
TRS 2			
Member Contribution Rate	5.95%	5.95%	
Employer Contribution Rate	13.13%	13.13%	
TRS 3			
Member Contribution Rate	varies*	varies*	
Employer Contribution Rate	13.13%	13.13%	**
SERS 2			
Member Contribution Rate	5.63%	5.63%	
Employer Contribution Rate	11.58%	11.58%	
SERS 3			
Member Contribution Rate	varies*	varies*	
Employer Contribution Rate	11.58%	11.58%	**

Note: The DRS administrative rate of .0018 is included in the employer rate.

* = Variable from 5% to 15% based on rate selected by the member.

** = Defined benefit portion only.

The Collective Net Pension Liability

The collective net pension liabilities for the pension plans school districts participated in are reported in the following tables.

The Net Pension Liability as of June 30, 2016:				
Dollars in Thousands	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Total Pension Liability	\$12,496,872	\$4,870,806	\$9,001,257	\$12,172,222
Plan fiduciary net position	(\$7,126,401)	(\$4,214,039)	(\$5,587,020)	(\$10,798,925)
Participating employers' net pension liability	\$5,370,471	\$656,767	\$3,414,237	\$1,373,297
Plan fiduciary net position as a percentage of the total pension liability	57.03%	86.52%	62.07%	88.72%

The School District's Proportionate Share of the Net Pension Liability (NPL)

At June 30, 2016, the school district reported a total liability of \$101,073,324 for its proportionate shares of the individual plans' collective net pension liability. The district's proportionate share of the collective net pension liability is based on annual contributions for each of the employers participating in the DRS administered plans. At June 30, 2016, the district's proportionate share of each plan's net pension liability is reported below:

June 30, 2016	PERS 1	SERS 2/3	TRS 1	TRS 2/3
District's Annual Contributions	1,379,743	1,872,865	4,935,204	5,296,086
Proportionate Share of the Net Pension Liability	13,066,316	10,281,628	55,442,817	22,282,564

At June 30, 2016, the school district's percentage of the proportionate share of the collective net pension liability was as follows and the changed in the allocation percentage from the prior period is illustrated below.

Allocation percentages	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Current year proportionate share of the Net Pension Liability	0.243299%	1.565491%	1.623871%	1.622560%
Prior year proportionate share of the Net Pension Liability	0.235030%	1.527114%	1.563259%	1.567497%
Net difference percentage	0.008269%	0.038377%	0.060612%	0.055063%

Actuarial Assumptions

Capital Market Assumptions (CMAs) and expected rates of return by asset class are provided by the Washington State Investment Board. The Office of the State Actuary relied on the CMAs in the selection of the long-term expected rate of return for reporting purposes.

The total pension liabilities for TRS 1, TRS 2/3, PERS 1 and SERS 2/3 were determined by actuarial valuation as of June 30, 2015, with the results rolled forward to June 30, 2016, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	3.0% total economic inflation, 3.75% salary inflation
Salary increases	In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
Investment rate of return	7.50%

Mortality Rates

Mortality rates used in the plans were based on the RP-2000 Combined Healthy Table and Combined Disabled Table published by the Society of Actuaries. The Office of the State Actuary applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime. The actuarial assumptions used in the June 30, 2015, valuation were based on the results of the 2007–2012 Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which a best-estimate of expected future rates of return (expected returns, net of pension plan investment expense, but including inflation) are developed for each major asset class by the Washington State Investment Board (WSIB). Those expected returns make up one component of WSIB's CMA. The CMAs contain three pieces of information for each class of assets the WSIB currently invest in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

The long-term expected rate of return of 7.50 percent approximately equals the median of the simulated investment returns over a fifty-year time horizon, increased slightly to remove WSIB's implicit and small short-term downward adjustment due to assumed mean reversion. WSIB's implicit short-term adjustment, while small and appropriate over a ten to fifteen-year period, becomes amplified over a fifty-year measurement period.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016, are summarized in the following table:

TRS1, TRS 2/3, PERS 1, and SERS 2/3		
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	20.00%	1.70%
Tangible Assets	5.00%	4.40%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.60%
Private Equity	23.00%	9.60%

The inflation component used to create the above table is 2.20 percent, and represents WSIB's most recent long-term estimate of broad economic inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.70 percent long-term discount rate to determine funding liabilities for calculating future contributions rate requirements. Consistent with the long-term expected rate of return, a 7.50 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue to be made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to determine the total pension liability.

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

The table below presents the Auburn School District's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate. Amounts are calculated by plan using the district's allocation percentage.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
PERS1 NPL	\$6,476,248,000	\$5,370,471,000	\$4,418,882,000
Allocation Percentage	0.243299%	0.243299%	0.243299%
Proportionate Share of Collective NPL	\$ 15,756,663	\$ 13,066,316	\$ 10,751,107
SERS2/3 NPL	\$1,600,665,000	\$656,767,000	(\$75,324,000)
Allocation Percentage	1.565491%	1.565491%	1.565491%
Proportionate Share of Collective NPL	\$ 25,058,266	\$ 10,281,628	\$ (1,179,190)
TRS1 NPL	\$4,197,137,000	\$3,414,237,000	\$2,739,882,000
Allocation Percentage	1.623871%	1.623871%	1.623871%
Proportionate Share of Collective NPL	\$ 68,156,105	\$ 55,442,817	\$ 44,492,159
TRS2/3 NPL	\$3,107,958,000	\$1,373,297,000	(\$1,595,357,000)
Allocation Percentage	1.622560%	1.622560%	1.622560%
Proportionate Share of Collective NPL	\$ 50,428,475	\$ 22,282,564	\$ (25,885,620)

Pension Expense

For the year ending August 31, 2016, the district recognized a total pension expense of \$920,843.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Pension Plans reported collective Deferred Outflows of Resources and collective Deferred Inflows of resources related to the individual plans. At August 31, 2016, the District reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$0	\$0
Net difference between projected and actual earnings on pension plan investments	\$328,989	\$0
Changes in assumptions or other inputs	\$0	\$0
Changes in proportion and differences between contributions and proportionate share of contributions	\$0	\$0
Contributions subsequent to the measurement date	\$245,663	\$0
TOTAL	\$574,652	\$0

SERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$734,763	\$0
Net difference between projected and actual earnings on pension plan investments	\$1,352,224	\$0
Changes in assumptions or other inputs	\$124,096	\$0
Changes in proportion and differences between contributions and proportionate share of contributions	\$138,604	\$(185,726)
Contributions subsequent to the measurement date	\$334,546	\$0
TOTAL	\$2,684,234	\$(185,726)

TERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$0	\$0
Net difference between projected and actual earnings on pension plan investments	\$1,757,662	\$0
Changes in assumptions or other inputs	\$0	\$0
Changes in proportion and differences between contributions and proportionate share of contributions	\$0	\$0
Contributions subsequent to the measurement date	\$933,700	\$0
TOTAL	\$2,691,362	\$0

TERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$1,685,629	\$(988,707)
Net difference between projected and actual earnings on pension plan investments	\$3,586,928	\$0
Changes in assumptions or other inputs	\$226,915	\$0
Changes in proportion and differences between contributions and proportionate share of contributions	\$465,205	\$(551,631)
Contributions subsequent to the measurement date	\$981,270	\$0
TOTAL	\$6,945,946	\$(1,540,338)

\$2,495,179 reported as Deferred Outflows of Resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31	PERS 1	SERS 2/3	TRS 1	TRS 2/3
2017	(81,004)	185,482	(454,279)	(117,675)
2018	(81,004)	185,482	(454,279)	(117,675)
2019	302,141	1,146,264	1,644,340	2,888,912
2020	188,856	646,736	1,021,880	1,798,581
2021	-	-	-	(27,803)
Thereafter	-	-	-	-

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 2016:

Descriptions	Type of Coverage			
	Non-Medicare Retiree	Non-Medicare Retiree & Spouse	Medicare Retiree	Medicare Retiree & Spouse
Group Health Classic	\$ 610.78	\$ 1,215.53	\$ 135.90	\$ 265.77
Group Health Value	573.99	1,141.95		
Group Health CDHP	522.80	1,034.28		
Group Health SoundChoice	538.09	1,070.15		
Kaiser Permanente Classic	637.32	1,268.61	158.70	311.37
Kaiser Permanente CDHP	530.09	1,048.36		
Uniform Medical Plan Classic	576.78	1,147.53	267.89	529.75
Uniform Medical Plan CDHP	522.47	1,033.62		
Premiera Blue Cross Plan F			109.86	312.87
Uniform Dental Plan	44.63	89.26	44.63	89.26
DeltaCare	39.53	79.06	39.53	79.06
Willamette Dental	42.37	84.74	42.37	84.74

For 2016, 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, 2016
Normal Cost at Year End	\$ 2,015,475
Amortization of UAAL	1,283,653
Interest on Normal Cost and Amortization Payment	148,461
Annual Required Contribution (ARC)	<u>\$ 3,447,589</u>

Determination of Net OPEB Obligation	
Annual Required Contribution	\$ 3,447,589
Interest on Prior year Net OPEB Obligation	687,393
Adjustment to ARC	(565,755)
Annual OPEB Cost	<u>3,569,226</u>
Contributions Made	<u>(1,386,205)</u>
Increase in Net OPEB Obligation	2,183,022
Net OPEB Obligation - Beginning of Year	<u>15,275,396</u>
Net OPEB Obligation - End of Year*	<u>\$ 17,458,418</u>

The District’s annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for Fiscal Years 2010 to 2016 were as follows:

OPEB COST			
Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
8/31/2016	\$ 3,569,226	38.84%	\$ 17,458,418
8/31/2015	\$ 3,580,493	38.48%	\$ 15,275,396
8/31/2014	\$ 2,847,966	42.51%	\$ 13,072,748
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

Funded Status and Funding Progress

As of August 31, 2015 the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$38.5 million, and actuarial value of assets was \$0, resulting in a UAAL of \$38.5 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
2010-11	7.00%	3.50%
2011-12	6.50%	3.50%
2012-13	6.00%	3.50%
2013-14	5.50%	3.00%
2014-15	5.00%	3.00%
2015-16	5.00%	3.00%

In the August 31, 2015 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 \$97,110,516 is 39.7%.

For further information on the results the actuarial valuation of the employer provided subsidies associated with state's PEGB 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, 2016 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Bonds Payable:					
2004 UTGO Refunding Bonds	\$ 7,810,000	\$ -	\$ 3,920,000	\$ 3,890,000	\$ 3,890,000
2004 UTGO Bonds	-	-	-	-	-
2010 UTGO Refunding Bonds	35,450,000	-	-	35,450,000	-
2012 UTGO Refunding Bonds	8,955,000	-	100,000	8,855,000	100,000
2013 UTGO and Refunding Bonds	70,765,000	-	570,000	70,195,000	3,305,000
2014 UTGO and Refunding Bonds	39,305,000	-	1,945,000	37,360,000	3,340,000
Total Bonds Payable	162,285,000	-	6,535,000	155,750,000	10,635,000
Unamortized Bond Premium	16,088,254	-	1,315,871	14,772,383	1,259,551
Net Bonds Payable	178,373,254	-	7,850,871	170,522,383	11,894,551
Net Pension Liabilities:					
PERS Plan 1	12,294,252	772,063	-	13,066,316	-
SERS Plans 2/3	6,202,389	4,079,239	-	10,281,628	-
TRS Plan 1	49,526,279	5,916,538	-	55,442,817	-
TRS Plans 2/3	13,226,568	9,055,996	-	22,282,564	-
Total Net Pension Liabilities	81,249,488	19,823,837	-	101,073,324	-
Other Liabilities:					
Compensated Absences	2,936,300	3,734,275	2,936,300	3,734,275	378,943
Net OPEB Obligation	15,275,396	2,183,022	-	17,458,418	-
GRAND TOTAL	\$ 277,834,438	\$ 25,741,133	\$ 10,787,171	\$ 292,788,400	\$ 12,273,494

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, 2016, including interest payments, are listed as follows:

Year Ending August 31, 2016	Principal	Interest	Total
2017	10,635,000	6,221,363	16,856,363
2018	10,715,000	5,847,862	16,562,862
2019	10,585,000	5,502,913	16,087,913
2020	10,445,000	5,102,750	15,547,750
2021	10,445,000	4,645,038	15,090,038
2022-2026	56,140,000	15,995,256	72,135,256
2027-2031	38,980,000	5,690,275	44,670,275
2032-2033	7,805,000	574,825	8,379,825
Total	\$ 155,750,000	\$ 49,580,282	\$ 205,330,282

General obligation school building bonds payable at August 31, 2016, with their outstanding balances are comprised of the following individual issues:

OUTSTANDING BONDS

\$27,785,000 2004 general obligation refunding bonds, due in installments of \$175,000 to \$4,010,000, beginning December 1, 2004 through December 1, 2016, interest from 2.00% to 5.00%	\$ 3,890,000
\$36,025,000 2010 general obligation refunding bonds, due in installments of \$575,000 to \$8,215,000 beginning December 1, 2010 to December 1, 2021, interest 2% to 5.00%	35,450,000
\$9,290,000 2012 general obligation refunding bonds, due in installments of \$135,000 to \$8,210,000 beginning December 1, 2012 to December 1, 2022, interest 2% to 3.00%	8,855,000
\$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%	70,195,000
\$43,555,000 2014 general obligation and refunding bonds, due in installments of \$775,000 to \$4,275,000 beginning December 1, 2014 to December 1, 2033, interest 1.00% to 5.00%	37,360,000
	\$ 155,750,000

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:

- 0.375% 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 2015 tax collection for bond purposes is \$9,376,578.

NOTE 9. 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 \$3,356, it is clear that all of the major prior year claims have been completely paid.

B. INDUSTRIAL INSURANCE

For the fiscal year ended August 31, 2016, Auburn School district made payments totaling \$1,439,179 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, 2016, the district contributed \$873,916 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, 2016. This report can be obtained from:

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

NOTE 10. 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	\$ 70,092,897
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, net of \$302,368 applicable accum. depreciation	\$ 40,192,107
Construction in progress	274,140,915
Buildings and improvements, net of \$117,526,872 accum. depreciation	25,683,425
Furniture and equipment, net of \$ 15,151,073 accumulated depreciation	<u>4,655,839</u>
	344,672,286
Property taxes that are deferred in government funds since not available soon enough to pay for the current period's expenditures.	35,243,452
	106,834
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.	(1,462,611)
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 Outflow on Refunding	3,939,095
Deferred Outflow on Pension Plans	12,896,194
Liabilities:	
Bonds Payable	(\$155,750,000)
Unamortized bond premiums	(14,772,383)
Compensated Absences	(3,734,275)
Net OPEB Obligation	(17,458,418)
Net Pension Liability - all plans	<u>(101,073,324)</u>
	(292,788,400)
Deferred Inflows of Resources:	
Deferred Inflow on Pension Plans	(1,726,064)
Total net position of governmental activities	<u><u>\$ 170,973,684</u></u>

**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 \$ 6,601,661

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	\$ 12,342,760	
Depreciation expense	<u>(8,786,935)</u>	\$ 3,555,824

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	\$ 6,535,000	
Interest and other charges - general obligation bonds	875,216	
Refunding Bond Sale	<u>-</u>	7,410,216

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. 397,072

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 (1,718,818)

Net OPEB Obligation (2,183,022)

Change in net position of governmental activities \$ 14,062,933

NOTE 11. 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 12. 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 8/31/15	\$ 10,320,211	\$ 1,456,658	\$ 6,193,501	\$ 43,316,755	\$ 2,071,654
Nonspendable: Inventories	(154,596)	251	-	-	-
Restricted:					
Child Nutrition Services	417,956	-	-	-	-
Student Activities	-	(3,251)	-	-	-
Debt Service	-	-	1,664,470	-	-
Capital Projects	-	-	-	2,178,392	-
Acquisition of Buses	-	-	-	-	925,307
Carryovers	389,618				
Committed:					
Capital Levy Projects	-	-	-	6,210,325	-
Held for Employee Benefits	156,312	-	-	-	-
Assigned:					
Other Capital Projects	-	-	-	(8,291,663)	-
Unassigned	3,240,996	-	-	-	-
Total Fund Balance 8/31/16	\$ 14,370,497	\$ 1,453,658	\$ 7,857,971	\$ 43,413,809	\$ 2,996,961

NOTE 13. 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 2015 totaled \$3,320,371. Auburn School District's equity in KCDA totaled \$199,333 as of December 31, 2015. 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 14. SIGNIFICANT EFFECT OF SUBSEQUENT EVENTS

On January 24, 2017, the District issued \$90,535,000 in bonds to provide moneys that are necessary to pay the cost and expenses to construct and equip two new elementary schools; rebuild and equip Chinook Elementary, Dick Scobee Elementary, Lea Hill Elementary, Pioneer Elementary, Terminal Park Elementary schools and Olympic Middle School. The funds may also be used to acquire sites as needed to accomplish these capital projects. The bonds bear interest rates from 2.25 to 5.00 percent and will be redeemed over the next 20 years with proceeds from property tax levy.

This is the first issue in a series of bonds authorizing the District to issue \$456,056,000 of general obligation bonds in total.

NOTE 15. PRIOR PERIOD ADJUSTMENTS

Beginning net position of the District as of August 31, 2016 was restated for prior period adjustments. In accordance with GAAP and GASB Statement No. 10, Employee Funded benefits are either recorded to the General Fund or an internal service fund. The adjustment resulted from the funds of the Employee Funded NBN vision benefit activity recoded in the General Fund. In previous years, these funds were recorded as a fiduciary fund and had an ending balance as of August 31, 2015 of \$132,455.

As a result of the adjustment above, the total Beginning Net Position increased from \$156,778,296 to \$156,910,751.

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, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Local	\$ 47,419,182	\$ 47,419,182	\$ 41,818,590	\$ (5,600,592)
State	127,013,452	127,013,452	130,555,953	3,542,501
Federal	16,388,266	16,388,266	15,788,644	(599,622)
Other	894,025	894,025	700,958	(193,067)
TOTAL REVENUES	191,714,925	191,714,925	188,864,146	(2,850,779)
EXPENDITURES				
CURRENT				
Regular Instruction	110,512,133	110,512,133	105,595,810	4,916,323
Special Education	22,297,590	22,297,590	23,339,986	(1,042,396)
Vocational Instruction	7,046,114	7,046,114	6,622,913	423,201
Compensatory Education	14,348,020	14,348,020	14,286,026	61,994
Other Instructional Programs	4,793,531	4,793,531	1,057,625	3,735,906
Community Services	1,348,547	1,348,547	1,044,885	303,662
Support Services	20,961,978	20,961,978	19,492,151	1,469,827
Child Nutrition Services	6,589,976	6,589,976	6,011,583	578,393
Pupil Transportation Services	6,903,327	6,903,327	6,878,537	24,790
CAPITAL OUTLAY				
Equipment	385,932	385,932	625,048	(239,116)
TOTAL EXPENDITURES	195,187,148	195,187,148	184,954,564	10,232,584
Excess of Revenues Over (Under) Expenditures	(3,472,223)	(3,472,223)	3,909,581	7,381,804
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	-	8,250	8,250
Total Other Financing Sources (Uses)	-	-	8,250	8,250
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses	(3,472,223)	(3,472,223)	3,917,831	7,390,054
FUND BALANCE-September 1	10,000,000	10,000,000	10,452,666	452,666
FUND BALANCE -August 31	\$ 6,527,777	\$ 6,527,777	\$ 14,370,497	\$ 7,842,720

* Prepared on the GAAP Budgetary Basis of Accounting

REQUIRED SUPPLEMENTARY INFORMATION
AUBURN SCHOOL DISTRICT NO. 408
BUDGETARY COMPARISON SCHEDULE*
SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNT	
REVENUES				
General	\$ 1,757,962	\$ 1,757,962	\$ 658,600	\$ (1,099,362)
Athletics	\$ 274,070	274,070	186,987	(87,083)
Classes	\$ 266,435	266,435	126,064	(140,371)
Clubs	\$ 1,827,047	1,827,047	1,306,061	(520,986)
Private Monies	\$ 116,070	116,070	52,432	(63,638)
Total Revenues	4,241,584	4,241,584	2,330,145	(1,911,439)
EXPENDITURES				
General	1,319,529	1,319,529	512,812	806,717
Athletics	418,123	418,123	269,546	148,577
Classes	276,324	276,324	123,637	152,687
Clubs	2,125,020	2,125,020	1,356,072	768,948
Private Monies	117,120	117,120	71,078	46,042
Total Expenditures	4,256,116	4,256,116	2,333,145	1,922,971
Excess of Revenues Over (Under) Expenditures	(14,532)	(14,532)	(3,000)	11,532
FUND BALANCE - September 1	1,209,158	1,209,158	1,456,658	247,500
FUND BALANCE - August 31	\$ 1,194,626	\$ 1,194,626	\$ 1,453,658	\$ 259,032

*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%
2014	August 31, 2013	\$ -	\$ 30,118,346	\$ 30,118,346	0%	\$ 84,845,614	35.5%
2015	August 31, 2015	\$ -	\$ 38,509,601	\$ 38,509,601	0%	\$ 92,928,939	41.4%
2016	August 31, 2015	\$ -	\$ 38,509,601	\$ 38,509,601	0%	\$ 97,110,516	39.7%

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 eight years of data are shown.

REQUIRED SUPPLEMENTARY INFORMATION
AUBURN SCHOOL DISTRICT NO. 408
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2016
LAST 10 FISCAL YEARS*

	2016	2015
Plan: PERS 1		
District's Proportion of the net pension liability (percentage)	0.243299%	0.235030%
District's proportionate share of the net pension liability (amount)	13,066,316	12,294,252
District's covered-employee payroll	323,707	342,804
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	4036.47%	3586.38%
Plan fiduciary net position as a percentage of the total pension liability	57.03%	59.10%
Plan: SERS 2/3		
District's Proportion of the net pension liability (percentage)	1.565491%	1.527114%
District's proportionate share of the net pension liability (amount)	10,281,628	6,202,389
District's covered-employee payroll	28,969,671	26,284,813
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	35.49%	23.60%
Plan fiduciary net position as a percentage of the total pension liability	86.52%	90.92%
Plan: TRS 1		
District's Proportion of the net pension liability (percentage)	1.623871%	1.563259%
District's proportionate share of the net pension liability (amount)	55,442,817	49,526,279
District's covered-employee payroll	1,130,063	1,722,137
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	4906.17%	2875.86%
Plan fiduciary net position as a percentage of the total pension liability	62.07%	65.70%
Plan: TRS 2/3		
District's Proportion of the net pension liability (percentage)	1.622560%	1.567497%
District's proportionate share of the net pension liability (amount)	22,282,564	13,226,568
District's covered-employee payroll	80,831,106	73,340,017
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	27.57%	18.03%
Plan fiduciary net position as a percentage of the total pension liability	88.72%	92.48%

*This schedule is to be built prospectively until it contains 10 years of data.

REQUIRED SUPPLEMENTARY INFORMATION
AUBURN SCHOOL DISTRICT NO. 408
SCHEDULE OF DISTRICT CONTRIBUTIONS
AS OF AUGUST 31, 2016
LAST 10 FISCAL YEARS*

	2016	2015
Plan: PERS 1		
Contractually required contribution	\$ 1,379,742.53	\$ 1,080,192.96
Contributions in relation to the contractually required contributions	\$ 1,379,742.53	\$ 1,080,192.96
Contribution deficiency (excess)	0	0
District's covered-employee payroll	\$ 323,706.52	\$ 342,804.07
Contribution as a percentage of covered-employee payroll	426.23%	315.11%
Plan: SERS 2/3		
Contractually required contribution	\$ 1,872,864.79	\$ 1,484,686.08
Contributions in relation to the contractually required contributions	\$ 1,872,864.79	\$ 1,484,686.08
Contribution deficiency (excess)	0	0
District's covered-employee payroll	\$ 28,969,670.62	\$ 26,284,813.05
Contribution as a percentage of covered-employee payroll	6.46%	5.65%
Plan: TRS 1		
Contractually required contribution	\$ 4,935,204.07	\$ 3,498,212.95
Contributions in relation to the contractually required contributions	\$ 4,935,204.07	\$ 3,498,212.95
Contribution deficiency (excess)	0	0
District's covered-employee payroll	\$ 1,130,062.90	\$ 1,722,137.35
Contribution as a percentage of covered-employee payroll	436.72%	203.13%
Plan: TRS 2/3		
Contractually required contribution	\$ 5,296,086.13	\$ 4,165,580.31
Contributions in relation to the contractually required contributions	\$ 5,296,086.13	\$ 4,165,580.31
Contribution deficiency (excess)	0	0
District's covered-employee payroll	\$ 80,831,105.65	\$ 73,340,017.33
Contribution as a percentage of covered-employee payroll	6.55%	5.68%

*This schedule is to be built prospectively until it contains 10 years of data.

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, 2016 AND 2015

	2015-16	2014-15
ASSETS		
Cash and Cash Equivalents	\$ 13,725,606	\$ 9,256,036
Property Tax Receivable	19,016,579	17,715,007
Accounts Receivable, Net	201,385	243,388
Interest Receivable	10,768	5,903
Interfund Receivable	5,777	(583)
Due From Other Governments	2,197,400	2,169,604
Inventories, at Cost	395,350	549,946
TOTAL ASSETS	\$ 35,552,865	\$ 29,939,301
LIABILITIES		
Accounts Payable	1,530,927	1,234,827
Accrued Wages and Benefits Payable	502,979	635,223
Due To Other Governments	8,070	10,225
Interfund Payable	15,855	589
Unearned Revenue-Other	1,125	900
TOTAL LIABILITIES	\$ 2,058,955	\$ 1,881,763
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-Property Taxes	19,016,579	17,715,007
Unavailable Revenue - Other	106,834	22,320
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 19,123,413	\$ 17,737,327
FUND BALANCES		
Nonspendable:		
Inventories	395,350	549,946
Restricted:		
Child Nutrition Services	2,533,213	2,115,257
Carryovers	389,618	-
Committed:		
Held for Employee Benefits	156,312	-
Assigned:		
Other Purposes	2,100,000	2,100,000
Unassigned:	8,796,004	5,555,008
TOTAL FUND BALANCES	\$ 14,370,497	\$ 10,320,211
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 35,552,865	\$ 29,939,301

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, 2016
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2015)

	2015-16			2014-15
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES:				
Source:				
Local Taxes	38,375,108	37,525,654	(849,454)	34,203,269
Local Non-Tax	9,044,074	4,292,936	(4,751,137)	4,409,333
State, General Purpose	102,804,458	103,776,587	972,130	90,596,566
State, Special Purpose	24,208,994	26,779,366	2,570,373	23,925,077
Federal, General Purpose	8,383	6,537	(1,846)	26,024
Federal, Special Purpose	16,379,883	15,782,107	(597,776)	14,951,071
Revenues from other sources	894,025	700,958	(230,625)	547,172
TOTAL REVENUES	191,714,925	188,864,146	(2,888,335)	168,658,511
EXPENDITURES				
Current:				
Regular Instruction	110,512,133	105,595,810	4,916,323	94,453,405
Special Instruction	22,297,590	23,339,986	(1,042,396)	20,973,072
Vocational Instruction	7,046,114	6,622,913	423,201	6,289,673
Compensatory Education	14,348,020	14,286,026	61,994	12,400,497
Other Educational Programs	4,793,531	1,057,625	3,735,906	1,358,429
Community Services	1,348,547	1,044,885	303,662	891,328
Support Services	20,961,978	19,492,151	1,469,827	18,692,312
Child Nutrition Services	6,589,976	6,011,583	578,393	5,959,847
Pupil Transportation Services	6,903,327	6,878,537	24,790	6,311,305
Capital Outlay - Equipment	385,932	625,048	(239,116)	431,521
TOTAL EXPENDITURES	195,187,148	184,954,564	10,232,584	167,761,387
Excess of Revenues Over (Under) Expenditures	(3,472,223)	3,909,581	7,381,804	897,124
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	8,250	8,250	3,747
Total Other Financing Sources (Uses)	-	8,250	8,250	3,747
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses	(3,472,223)	3,917,831	7,390,054	900,871
FUND BALANCE-September 1	10,000,000	10,452,666	452,666	9,419,340
FUND BALANCE -August 31	\$ 6,527,777	\$ 14,370,497	\$ 7,842,720	\$ 10,320,211

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2015)

DESCRIPTION	2015-16			2014-15
	BUDGET	ACTUAL	VARIANCE	ACTUAL
LOCAL TAXES				
Local Property Tax	\$ 38,373,851	\$ 37,524,799	\$ (849,052)	\$ 34,202,123
Other Taxes	1,257	855	(402)	1,147
TOTAL LOCAL TAXES	38,375,108	37,525,654	(849,454)	34,203,269
LOCAL NON-TAX				
Tuition & Fees, Unassigned	179,537	163,619	(15,918)	124,971
Summer School Tuition	-	5,750	5,750	6,023
Sales of Goods and Supplies	232,000	221,267	(10,733)	253,223
Sales of Goods and Supplies, Vocational	636,794	344,767	(292,027)	372,168
Other Community Services	560,004	231,726	(328,278)	234,390
Food Services Sales	1,165,330	1,304,909	139,579	1,234,977
Investment Earnings	112,500	131,102	18,602	84,114
Gifts & Donations	4,657,872	671,407	(3,986,465)	1,549,218
Fines & Damages	22,000	20,945	(1,055)	18,295
Rental of Property	793,762	228,638	(565,124)	194,250
Insurance Recoveries	-	11,111	11,111	39,433
Local Non-Tax Unassigned	238,000	567,787	329,787	270,915
E-Rate	446,275	389,909	(56,366)	27,357
TOTAL LOCAL NONTAX	9,044,074	4,292,936	(4,751,137)	4,409,333
STATE FUNDS, GENERAL PURPOSE				
Apportionment	95,102,951	95,441,177	338,226	83,095,664
Apportionment-Special Education	2,592,218	2,814,089	221,871	2,532,942
Local Effort Assistance	5,109,289	5,521,322	412,033	4,967,961
TOTAL STATE, GENERAL PURPOSE	102,804,458	103,776,587	972,130	90,596,566
STATE FUNDS, SPECIAL PURPOSE				
Special Purpose, Unassigned	362,965	2,640	(360,325)	3,213
Special Education	9,430,140	11,648,018	2,217,878	10,013,952
Learning Assistance	3,816,435	4,131,616	315,181	3,818,568
Special Pilot Programs	1,073,787	761,033	(312,754)	654,059
Transitional Bilingual	2,637,023	2,688,827	51,804	2,419,042
Special Education Infants and Toddlers	650,607	669,927	19,320	619,901
Highly Capable	148,229	156,122	7,893	144,567
School Food Services	158,897	168,744	9,847	167,362
Transportation - Operations	5,922,911	6,148,689	225,778	5,924,313
Other State Agencies, Unassigned	8,000	403,751	395,751	160,100
TOTAL STATE, SPECIAL PURPOSE	24,208,994	26,779,366	2,570,373	23,925,077

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2015)

DESCRIPTION	2015-16			2014-15
	BUDGET	ACTUAL	VARIANCE	ACTUAL
FEDERAL FUNDS, GENERAL PURPOSE				
Impact Aid	\$ -	\$ -	\$ -	
Federal Forests	8,383	6,537	(1,846)	8,481
TOTAL FEDERAL, GENERAL PURPOSE	8,383	6,537	(1,846)	8,481
FEDERAL, SPECIAL PURPOSE				
Federal Stimulus	1,652,752	1,013,667	(639,085)	717,959
Special Purpose, Unassigned OSPI	530,000	448,026	(81,974)	179,605
Special Education, Medicaid Reimbursement	136,000	299,799	163,799	127,910
Special Education	2,617,035	2,584,764	(32,271)	2,505,775
Vocational Education	107,378	126,673	19,295	102,116
Disadvantaged, Title I	4,052,370	4,062,246	9,876	2,772,830
Title II	450,070	342,935	(107,135)	612,134
Special Purpose, Unassigned	-	-	-	113,687
Limited English Proficiency	392,339	290,397	(101,942)	281,575
Other Community Services	250,000	188,186	(61,814)	238,441
School Food Service	4,986,315	4,851,095	(135,220)	4,730,128
Other Title	-	81,923	81,923	8,164
Head Start	634,863	663,300	28,437	416,212
Indian Education	82,365	50,936	(31,429)	82,330
Medicaid Administrative Match	-	246,241	246,241	
USDA Commodities	488,396	531,919	43,523	343,426
TOTAL FEDERAL, SPECIAL PURPOSE	16,379,883	15,782,107	(597,776)	13,232,294
REVENUES FROM OTHER DISTRICTS				
Program Participation, Unassigned	-	8,590	8,590	
Special Education	-	28,969	28,969	
Transportation	-	19,266	19,266	48,561
Non-High Participation	602,700	538,116	(64,584)	596,304
TOTAL REVENUES FROM OTHER DISTRICTS	602,700	594,940	(45,318)	644,866
REVENUES FROM OTHER AGENCIES				
Agency & Association Grants	291,325		(291,325)	-
Governmental Entities	-	106,018	106,018	-
TOTAL REVENUES FROM OTHER AGENCIES	291,325	106,018	(185,307)	-
REVENUES FROM OTHER FINANCING SOURCES				
Sale of Equipment	-	8,250	8,250	2,499
TOTAL REVENUES FROM OTHER FINANCING SOURCES	-	8,250	8,250	2,499
TOTAL REVENUES	\$ 191,714,925	\$ 188,872,396	\$ (2,880,085)	\$ 155,315,106

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF EXPENDITURES BY PROGRAM
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2015)

PROGRAM	2015-16			2014-15
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REGULAR INSTRUCTION				
Teaching	\$ 83,750,811	\$ 79,224,567	\$4,526,244	\$ 70,091,524
Extracurricular	4,675,171	4,464,385	210,786	4,004,311
Instructional Supervision	1,859,737	1,769,094	90,643	1,721,610
Learning Resources - Library Services	3,021,431	2,895,672	125,759	2,722,518
Principals	10,346,208	10,672,760	(326,552)	9,829,746
Guidance and Counseling	3,763,367	3,552,231	211,136	3,452,890
Pupil Management and Safety	1,242,105	1,246,067	(3,962)	1,091,510
Health Services - Psychologists, Nurses	1,853,303	1,771,035	82,268	1,539,296
Total Regular Instruction	110,512,133	105,595,810	4,916,323	94,453,405
SPECIAL INSTRUCTION				
Basic State Program	19,355,057	20,031,433	(676,376)	18,260,692
Supplemental Federal Program	2,942,533	3,308,553	(366,020)	2,712,380
Other	-	-	-	-
Total Special Instruction	22,297,590	23,339,986	(1,042,396)	20,973,072
VOCATIONAL INSTRUCTION				
Basic State Program	6,938,736	6,493,248	445,488	6,206,080
Supplemental Federal Program	107,378	129,665	(22,287)	83,593
Total Vocational Instruction	7,046,114	6,622,913	423,201	6,289,673
COMPENSATORY EDUCATION				
Federal Remediation-Title I	4,052,370	3,965,465	86,905	3,043,515
Federal School Improvement ESEA	450,520	334,538	115,982	474,599
Federal Stimulus--State Fiscal Stabilization	-	-	-	-
Federal Stimulus--Other	1,330,981	943,863	387,118	1,197,824
Federal Other	268,153	214,605	53,548	225,873
State Remediation	3,417,007	3,893,338	(476,331)	3,476,926
Special and Pilot Programs	1,063,531	1,206,808	(143,277)	973,587
Federal Head Start	624,306	618,541	5,765	601,678
Federal Limited English Proficiency	361,304	343,080	18,224	330,569
State Transitional Bilingual	2,699,883	2,714,853	(14,970)	2,053,854
Federal Indian Education	79,965	50,936	29,029	22,072
Total Compensatory Education	\$ 14,348,020	\$ 14,286,026	\$ 61,994	\$ 12,400,497

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF EXPENDITURES BY PROGRAM
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2015)

PROGRAM	2015-16			2014-15
	BUDGET	ACTUAL	VARIANCE	ACTUAL
OTHER EDUCATIONAL PROGRAMS				
Summer School	\$ -	\$ 21,891	\$ (21,891)	\$ 14,884
Highly Capable	126,618	140,122	(13,504)	139,441
Other Instructional Programs	4,666,913	895,611	3,771,302	1,204,104
Total Other Educational Programs	4,793,531	1,057,625	3,735,906	1,358,429
COMMUNITY SERVICES	1,348,547	1,044,885	303,662	891,328
SUPPORT SERVICES				
Board of Directors	355,481	320,206	35,275	214,335
Superintendent's Office	473,732	443,480	30,252	478,737
Business Services	2,030,294	2,035,381	(5,087)	1,906,781
Human Resources	1,854,540	1,778,910	75,630	1,596,873
Maintenance	3,935,154	3,920,612	14,542	3,834,207
Custodial	5,145,497	5,131,004	14,493	4,904,899
Utilities	4,187,911	3,349,083	838,828	3,350,296
Insurance	848,500	781,752	66,748	766,797
Building Security	337,932	413,225	(75,293)	509,354
Printing	9,639	(45,521)	55,160	(55,566)
Information Technology	1,267,332	874,471	392,861	723,641
Warehouse	497,566	483,854	13,712	444,302
Motor Pool	18,400	5,695	12,705	17,657
Total Support Services	20,961,978	19,492,151	1,469,827	18,692,312
CHILD NUTRITION SERVICES	6,589,976	6,011,583	578,393	5,959,847
PUPIL TRANSPORTATION SERVICES	6,903,327	6,878,537	24,790	6,311,305
CAPITAL OUTLAY-EQUIPMENT	385,932	625,048	(239,116)	431,521
Total Expenditures	\$ 195,187,148	\$ 184,954,564	\$ 10,232,584	\$ 167,761,387

AUBURN SCHOOL DISTRICT NO. 408
SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2016 AND 2015

	2015-16	2014-15
ASSETS		
Cash and Cash Equivalents	\$ 1,706,019	\$ 1,652,290
Accounts Receivable	-	589
Accrued Interest Receivable	1,077	732
Inventories at Cost	251	-
TOTAL ASSETS	\$ 1,707,347	\$ 1,653,611
LIABILITIES		
Accounts Payable	80,851	50,609
Due to Other Governments	1,529	2,001
Interfund Payable	5,427	(583)
Unearned Revenue - Other	165,883	144,926
TOTAL LIABILITIES	\$ 253,690	\$ 196,953
FUND BALANCES		
Nonspendable-Inventories	251	-
Restricted-Student Activities	1,453,406	1,456,658
TOTAL FUND BALANCES	\$ 1,453,658	\$ 1,456,658
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,707,347	\$ 1,653,611

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, 2016
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2015)

	2015-16			2014-15
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
General	\$ 1,757,962	\$ 658,600	\$ (1,099,362)	\$ 651,777
Athletics	274,070	186,987	(87,083)	217,879
Classes	266,435	126,064	(140,371)	120,022
Clubs	1,827,047	1,306,061	(520,986)	1,172,331
Other	116,070	52,432	(63,638)	54,751
Total Revenues	4,241,584	2,330,145	(1,911,439)	2,216,760
EXPENDITURES				
Current:				
General	1,319,529	512,812	806,717	502,407
Athletics	418,123	269,546	148,577	281,345
Classes	276,324	123,637	152,687	103,029
Clubs	2,125,020	1,356,072	768,948	1,255,299
Other	117,120	71,078	46,042	47,240
Total Expenditures	4,256,116	2,333,145	1,922,971	2,189,320
Excess of Revenues Over (Under) Expenditures	(14,532)	(3,000)	11,532	27,440
FUND BALANCE - September 1	1,209,158	1,456,658	247,500	1,429,218
FUND BALANCE - August 31	\$ 1,194,626	\$ 1,453,658	\$ 259,032	\$ 1,456,658

**AUBURN SCHOOL DISTRICT NO. 408
DEBT SERVICE FUND (BOND FUND)
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2016 AND 2015**

	2015-16	2014-15
ASSETS		
Cash and Cash Equivalents	\$ 7,862,894	\$ 6,204,107
Property Tax Receivable	\$ 7,830,062	\$ 6,576,774
Accrued Interest Receivable	\$ 5,565	\$ 3,104
TOTAL ASSETS	\$ 15,698,521	\$ 12,783,985
LIABILITIES		
Accounts Payable	10,488	13,710
TOTAL LIABILITIES	\$ 10,488	\$ 13,710
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-Property Taxes	7,830,062	6,576,774
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 7,830,062	\$ 6,576,774
FUND BALANCE		
Restricted for Debt Service	7,857,971	6,193,501
TOTAL FUND BALANCE	\$ 7,857,971	\$ 6,193,501
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 15,698,521	\$ 12,783,985

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, 2016
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2015)

	2015-16			2014-15
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Local Taxes	\$ 14,798,633	\$ 14,716,078	\$ (82,555)	\$ 15,335,556
Local Non-Tax	60,910	55,605	(5,305)	37,412
Total Revenues	14,859,543	14,771,682	(87,861)	15,372,968
EXPENDITURES				
DEBT SERVICE				
Principal Retirement	6,535,000	6,535,000	-	8,795,000
Interest on Bonds	6,572,213	6,572,213	1	6,808,036
Bond Transfer Fees	-	-	-	269
Underwriter's Fees	-	-	-	-
Total Expenditures	13,107,213	13,107,213	1	15,603,305
OTHER FINANCING SOURCES (USES)				
Issuance of Refunding Bonds	-	-	-	-
Issuance Premium	-	-	-	-
Payment to refunded Bonds Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues/Other Financing Sources Over (Under) Expenditures And Other Financing Uses	1,752,330	1,664,470	(87,860)	(230,338)
FUND BALANCE - September 1	5,992,670	6,193,501	200,831	6,423,839
	-			
FUND BALANCE -August 31	\$ 7,745,000	\$ 7,857,971	\$ 112,971	\$ 6,193,501

AUBURN SCHOOL DISTRICT NO. 408
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2016 AND 2015

	2015-16	2014-15
ASSETS		
Cash and Cash Equivalent	\$ 44,117,672	\$ 46,922,161
Property Tax Receivable	1,841,508	3,929,395
Accrued Interest Receivable	30,867	25,029
Interfund Receivable	15,505	-
Due From Other Governments	624,968	3,114,759
TOTAL ASSETS	\$ 46,630,520	\$ 53,991,344
LIABILITIES		
Accounts Payable	1,337,676	6,697,263
Due to Other Governments	33,472	44,376
Interfund Payable	-	-
Unearned Revenues-Other	-	-
Deposits	4,054	3,554
TOTAL LIABILITIES	\$ 1,375,203	\$ 6,745,193
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-Property Taxes	1,841,508	3,929,395
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 1,841,508	\$ 3,929,395
FUND BALANCES		
Restricted:		
Bond Project-Auburn High Modernization	8,348,525	15,734,290
Impact Fee Projects	-	-
State Proceeds	21,835,336	12,271,179
Committed:		
Capital Improvement Levy Projects	7,104,067	-
Technology Levy Projects	(893,742)	-
Assigned:		
Other Capital Projects	7,019,623	15,311,286
TOTAL FUND BALANCES	\$ 43,413,809	\$ 43,316,755
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 46,630,520	\$ 53,991,344

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, 2016
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2015)

	2015-16			2014-15
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Local Taxes	\$ 6,111,538	\$ 5,746,591	\$ (364,947)	\$ 6,338,463
Local Non-Tax	2,034,253	2,699,839	665,586	2,250,938
State, Special Purpose	12,000,000	9,564,157	(2,435,843)	12,271,179
TOTAL REVENUES	20,145,791	18,010,587	(2,135,204)	20,860,580
EXPENDITURES				
Capital Outlay				
Sites	-	9,614	(9,614)	32,121
Building	55,239,500	14,371,715	40,867,785	42,926,617
Equipment	3,600,000	3,276,025	323,975	2,776,740
Energy	60,000	256,179	(196,179)	909,269
Bond Issuance	-	-	-	-
TOTAL EXPENDITURES	58,899,500	17,913,533	40,985,967	46,644,748
Excess Of Revenues Over (Under) Expenditures	(38,753,709)	97,053	38,850,762	(25,784,167)
OTHER FINANCING SOURCES (USES)				
Proceeds of Long-Term Debt	-	-	-	-
Issuance Premium	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses	(38,753,709)	97,053	38,850,762	(25,784,167)
FUND BALANCE - September 1	40,522,320	43,316,756	95,652	69,100,923
FUND BALANCE - August 31	\$ 1,768,611	\$ 43,413,809	\$ 38,946,414	\$ 43,316,756

**AUBURN SCHOOL DISTRICT NO. 408
TRANSPORTATION VEHICLE FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2016 AND 2015**

	2015-16	2014-15
ASSETS		
Cash and Cash Equivalents	\$ 2,996,329	\$ 2,072,216
Taxes Receivable	(48)	(40)
Due From Other Governments		
Interfund Receivable	-	-
Interest Receivable	1,597	704
TOTAL ASSETS	\$ 2,997,877	\$ 2,072,879
LIABILITIES		
Due to Other Governments	964	1,265
TOTAL LIABILITIES	\$ 964	\$ 1,265
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-Property Taxes	(48)	(40)
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ (48)	\$ (40)
FUND BALANCE		
Restricted for Acquisition of School Buses	2,996,961	2,071,654
TOTAL FUND BALANCE	\$ 2,996,961	\$ 2,071,654
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 2,997,877	\$ 2,072,879

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, 2016
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2015)

	2015-16			2014-15
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Local Taxes	\$ -	\$ 8	\$ 8	\$ 17
Local Non-Tax	10,768	18,650	7,882	11,240
State, Special Purpose	740,000	781,365	41,365	698,472
Other Financing Sources	-	125,283	125,283	13,573
TOTAL REVENUES	750,768	925,307	174,539	723,301
EXPENDITURES				
Capital Outlay:				
Equipment	1,660,000	-	1,660,000	803,972
TOTAL EXPENDITURES	1,660,000	-	1,660,000	803,972
Excess of Revenues (Under) Expenditures	(909,232)	925,307	1,834,539	(80,671)
OTHER FINANCING SOURCES (USES)				
Sales of Surplus Buses	-	-	-	-
TOTAL OTHER FINANCING SOURCES(USES)	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(909,232)	925,307	1,834,539	(80,671)
FUND BALANCE - September 1	1,398,615	2,071,654	673,039	2,152,325
FUND BALANCE - August 31	\$ 489,383	\$ 2,996,961	\$ 2,507,578	\$ 2,071,654

AUBURN SCHOOL DISTRICT NO. 408
PRIVATE PURPOSE TRUST
COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION
AUGUST 31, 2016 AND 2015

	2015-16	2014-15
ASSETS		
Cash and Cash Equivalents	\$ 617,209	\$ 541,460
Accounts Receivable	-	-
Interest Receivable	444	308
TOTAL ASSETS	\$ 617,653	\$ 541,768
LIABILITIES		
Accounts Payable	34,461	3,165
Total Liabilities	\$ 34,461	\$ 3,165
NET POSITION	\$ 583,193	\$ 538,603

**AUBURN SCHOOL DISTRICT NO. 408
PRIVATE PURPOSE TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2015)**

	2015-16	2014-15
ADDITIONS:		
Donations	\$ 246,017	\$ 143,486
Investment Earnings:	-	-
TOTAL ADDITIONS	246,017	143,486
DEDUCTIONS:		
Scholarships and Student Aid	201,428	167,326
Loss on Investments	-	-
TOTAL DEDUCTIONS	201,428	167,326
CHANGES IN NET POSITION	44,590	(23,840)
NET POSITION - September 1	538,603	562,443
NET POSITION - August 31	\$ 583,193	\$ 538,603

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF CHANGES IN LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016

	BALANCE 9/1/2014	INCREASES	DECREASES	BALANCE 8/31/2015
Governmental Bonds Payable				
2004 UTGO Refunding Bonds	7,810,000	-	3,920,000	3,890,000
2010 UTGO Refunding Bonds	35,450,000	-	-	35,450,000
2012 UTGO Refunding Bonds	8,955,000	-	100,000	8,855,000
2013 UTGO and Refunding Bonds	70,765,000	-	570,000	70,195,000
2014 UTGO and Refunding Bonds	39,305,000	-	1,945,000	37,360,000
Total Bonds Payable	162,285,000	-	6,535,000	155,750,000
Unamortized Bond Premium/Discount	16,088,254	-	1,315,871	14,772,383
Net Bonds Payable	171,857,718	-	7,850,871	170,522,383
Pension Liability				
Net Pension Liability - PERS Plan 1	12,294,252	772,063	-	13,066,316
Net Pension Liability - SERS Plans 2/3	6,202,389	4,079,239	-	10,281,628
Net Pension Liability - TRS Plan 1	49,526,279	5,916,538	-	55,442,817
Net Pension Liability - TRS Plans 2/3	13,226,568	9,055,996	-	22,282,564
Total Pension Liability	81,249,488	19,823,837	-	101,073,324
Compensated Absences	2,936,300	3,734,275	2,936,300	3,734,275
Net OPEB Obligation	15,275,396	2,183,022	-	17,458,418
Total Long-Term Debt	\$ 277,834,438	\$ 25,741,133	\$ 10,787,171	\$ 292,788,400

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

* See Note 6, 7, 8

AUBURN SCHOOL DISTRICT NO. 408

Schedule H-2

OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS DEBT SERVICE-AUGUST 31, 2016

DUE DATE	Original Issue Amount \$27,785,000 2004 Refunding Bond Dated 3/1/2004		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		Original Issue Amount \$43,555,000 2014 UTGO and Refunding 2/7/2014		TOTAL DEBT SERVICE	TOTAL CALENDAR YEAR
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
12/1/16	3,890,000	97,250	-	764,575	100,000	130,357	3,305,000	1,348,087.50	3,340,000	877,475.00	13,852,745	17,070,488
6/1/17	-	-	-	764,575	-	129,356	-	1,298,512.50	-	811,175.00	3,003,619	
12/1/17	-	-	6,100,000	764,575	100,000	129,356	2,685,000	1,298,512.50	1,830,000	811,175.00	13,718,619	16,722,237
6/1/18	-	-	-	660,200	-	128,356	-	1,258,237.50	-	797,450.00	2,844,244	
12/1/18	-	-	6,540,000	660,200	100,000	128,357	2,485,000	1,258,237.50	1,460,000	797,450.00	13,429,245	16,273,488
6/1/19	-	-	-	542,100	-	127,356	-	1,220,962.50	-	768,250.00	2,658,669	
12/1/19	-	-	7,020,000	542,100	100,000	127,356	1,300,000	1,220,962.50	2,025,000	768,250.00	13,103,669	15,762,337
6/1/20	-	-	-	391,700	-	126,356	-	1,208,400.00	-	717,625.00	2,444,081	
12/1/20	-	-	7,575,000	391,700	120,000	126,357	2,750,000	1,208,400.00	-	717,625.00	12,889,082	15,333,163
6/1/21	-	-	-	205,375	-	124,556	-	1,153,400.00	-	717,625.00	2,200,956	
12/1/21	-	-	8,215,000	205,375	125,000	124,556	2,165,000	1,153,400.00	1,430,000	717,625.00	14,135,956	16,336,912
6/1/22	-	-	-	-	-	123,150	-	1,110,100.00	-	681,875.00	1,915,125	
12/1/22	-	-	-	-	8,210,000	123,150	2,310,000	1,110,100.00	1,230,000	684,875.00	13,668,125	15,583,250
6/1/23	-	-	-	-	-	-	-	1,063,900.00	-	651,125.00	1,715,025	
12/1/23	-	-	-	-	-	-	10,280,000	1,063,900.00	1,030,000	651,125.00	13,025,025	14,740,050
6/1/24	-	-	-	-	-	-	-	858,300.00	-	625,375.00	1,483,675	
12/1/24	-	-	-	-	-	-	10,080,000	858,300.00	775,000	625,375.00	12,338,675	13,822,350
6/1/25	-	-	-	-	-	-	-	656,700.00	-	606,000.00	1,262,700	
12/1/25	-	-	-	-	-	-	6,560,000	656,700.00	3,730,000	606,000.00	11,552,700	12,815,400
6/1/26	-	-	-	-	-	-	-	525,500.00	-	512,750.00	1,038,250	
12/1/26	-	-	-	-	-	-	6,315,000	525,500.00	3,325,000	512,750.00	10,678,250	11,716,500
6/1/27	-	-	-	-	-	-	-	399,200.00	-	429,625.00	828,825	
12/1/27	-	-	-	-	-	-	6,015,000	399,200.00	2,845,000	429,625.00	9,688,825	10,517,650
6/1/28	-	-	-	-	-	-	-	278,900.00	-	358,500.00	637,400	
12/1/28	-	-	-	-	-	-	5,285,000	278,900.00	2,660,000	358,500.00	8,582,400	9,219,800
6/1/29	-	-	-	-	-	-	-	173,200.00	-	292,000.00	465,200	
12/1/29	-	-	-	-	-	-	2,600,000	173,200.00	4,275,000	292,000.00	7,340,200	7,805,400
6/1/30	-	-	-	-	-	-	-	121,200.00	-	185,125.00	306,325	
12/1/30	-	-	-	-	-	-	2,340,000	121,200.00	3,320,000	185,125.00	5,966,325	6,272,650
6/1/31	-	-	-	-	-	-	-	74,400.00	-	102,125.00	176,525	
12/1/31	-	-	-	-	-	-	2,035,000	74,400.00	2,230,000	102,125.00	4,441,525	4,618,050
6/1/32	-	-	-	-	-	-	-	33,700.00	-	46,375.00	80,075	
12/1/32	-	-	-	-	-	-	1,685,000	33,700.00	990,000	46,375.00	2,755,075	2,835,150
6/1/33	-	-	-	-	-	-	-	-	-	21,625.00	21,625	
12/1/33	-	-	-	-	-	-	-	-	865,000	21,625.00	886,625	908,250
Total	3,890,000	97,250	35,450,000	5,892,475	8,855,000	1,648,619	70,195,000	24,217,312.50	37,360,000	17,529,725	205,135,382	208,353,125

AUBURN SCHOOL DISTRICT #408
SCHEDULE OF CAPITAL ASSETS BY LOCATION
AUGUST 31, 2016

PROPERTY	LOCATION	LAND	BUILDINGS & IMPROVEMENTS	CONSTRUCTION IN PROGRESS	EQUIPMENT	TOTALS
SENIOR HIGH SCHOOLS						
Auburn	800 4th Street N.E.	\$ 592,951	\$ 132,553,925		\$ 1,172,617	\$ 134,319,493
Auburn Riverside	501 Oravetz Rd	4,476,766	38,412,554		789,075	43,678,394
Auburn Mountainview	28900 124th Ave SE	4,129,915	48,571,364		426,716	53,127,995
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		153,454	8,770,633
Mt. Baker	620 37th Street SE	2,923,600	13,453,860		120,866	16,498,326
Olympic	1825 "K" Street SE	92,532	8,966,021		75,469	9,134,022
Rainier	30620 116th Ave. SE	107,681	12,762,993		103,205	12,973,879
ELEMENTARY SCHOOLS						
Alpac	310 Milwaukee Blvd N.	83,007	6,547,979		133,305	6,764,290
Arthur Jacobsen	29205 132nd St SE	1,006,023	20,188,888		161,221	21,356,132
Chinook	3502 Auburn Way S.	32,985	3,513,839		183,244	3,730,068
Dick Scobee	1031 14th Street NE	9,731	4,594,483		79,700	4,683,915
Evergreen Heights	5602 So 316th	22,223	5,418,490		155,345	5,596,058
Gildo Rey	1005 37th Street SE	30,232	5,780,752		114,351	5,925,335
Hazelwood	11815 SE 304th Street	230,323	6,902,628		118,900	7,251,851
Ilalko	301 Oravetz Pl SE	2,007,182	7,769,858		154,302	9,931,342
Lake View	16401 SE 318th	408,702	4,273,651		166,795	4,849,148
Lakeland Hills	1020 Evergreen Way SE	3,093,020	14,688,175		142,029	17,923,224
Lea Hill	30908 124th Ave. SE	21,620	3,774,005		136,513	3,932,138
Pioneer	2301 "M" Street SE	18,082	3,498,342		176,598	3,693,021
Terminal Park	1101 "D" Street SE	26,603	3,134,184		175,680	3,336,467
Washington	20 "E" Street NE	10,000	6,902,055		153,350	7,065,406
ADMIN. & SERV. BLDGS.						
James P. Fugate	915 4th Street NE	88,690	2,452,281		1,359,730	3,900,701
Annex	502 4th Street NE	183,646	653,035		23,772	860,453
Support Services Center	1302 4th Street SW	1,046,802	4,466,330		1,546,932	7,060,064
Transportation	615 15th Street SW	18	4,661,051		11,862,951	16,524,020
TAP	501 3rd St NE	154,552	879,951			1,034,503
Pool	516 4th St NE		2,959,297			2,959,297
Portables	Misc		3,781,739			3,781,739
Head Start	2236 K St SE	143,484	224,424			367,908
Misc Site	Misc	18,723,675	619,235			19,342,910
Construction in Progress				25,683,425		25,683,425
TOTALS		\$ 40,494,475	\$ 391,667,787	\$ 25,683,425	\$ 19,806,913	\$ 477,652,600

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF CHANGES IN CAPITAL ASSETS
AUGUST 31, 2016

CAPITAL ASSET TYPES	CAPITAL ASSETS 9/1/2015	ADDITIONS	DELETIONS	CAPITAL ASSETS 8/31/2016
Land and Improvements	\$ 40,494,475	\$ -	\$ -	\$ 40,494,475
Building and Improvements	374,869,152	16,798,635		391,667,787
Equipment	19,615,247	599,236	(407,571)	19,806,912
Construction In Progress	30,738,537	(5,055,112)		25,683,425
Totals at Historical Cost	465,717,410	12,342,759	(407,571)	477,652,599
Less: Accumulated Depreciation				
Building and Improvements	(110,090,154)	(7,739,085)		(117,829,240)
Equipment	(14,510,794)	(1,047,850)	407,571	(15,151,073)
Total Accumulated Depreciation	(124,600,948)	(8,786,935)	407,571	(132,980,313)
Capital Assets, Net of Accumulated Depreciation	\$ 341,116,462	\$ 3,555,824	\$ -	\$ 344,672,286

**AUBURN SCHOOL DISTRICT
SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
AS OF AUGUST 31, 2016**

FUNCTION & ACTIVITY	LAND	BUILDINGS & IMPROVEMENTS	CONSTRUCTION IN PROGRESS	EQUIPMENT	TOTALS
ADMINISTRATION					
Administration	\$ -	\$ -		\$ 138,410	\$ 138,410
General Buildings	272,336	3,105,316			3,377,652
Total	272,336	3,105,316		138,410	3,516,062
INSTRUCTION					
Supervision					-
Learning Resources				95,727	95,727
Teaching				1,075,309	1,075,309
Extracurricular				3,245,607	3,245,607
School Buildings	39,175,319	379,435,090		427,244	419,037,654
Total	39,175,319	379,435,090		4,843,887	423,454,297
CHILD NUTRITION SERVICES					
Operations				302,182	302,182
Total	-	-		302,182	302,182
PUPIL TRANSPORTATION					
Supervision	18	4,661,051		129,362	4,790,431
Maintenance				11,441,937	11,441,937
Total	18	4,661,051		11,571,298	16,232,367
MAINTENANCE & OPERATIONS					
Supervision	1,046,802	4,466,330		58,805	5,571,937
Ground Care				441,461	441,461
Operations of Plant				439,850	439,850
Maintenance				675,096	675,096
Total	1,046,802	4,466,330		1,615,212	7,128,344
OTHER SERVICES					
Information Technologies				1,072,695	1,072,695
Printing & Graphics		-		77,644	77,644
Warehousing		-		185,584	185,584
Total		-		1,335,923	1,335,923
Construction-In-Progress			25,683,425		25,683,425
TOTALS	\$ 40,494,475	\$ 391,667,787	\$ 25,683,425	\$ 19,806,913	\$ 477,652,600

AUBURN SCHOOL DISTRICT NO. 408
SUMMARY AMORTIZATION SCHEDULE FOR ALL OUTSTANDING BONDS
BOND PREMIUM, DISCOUNT, REFUNDING ADJUSTMENT
FOR THE YEAR ENDED AUGUST 31, 2016

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	\$ 26,145,609
06/01/04	278,235	278,235	56,327	1,408,183	-	138,049	1,518,532	26,227,331
12/01/04	1,121,471	556,471	56,327	1,351,856	565,000	138,048	1,380,484	25,744,052
06/01/05	725,820	550,820	56,327	1,295,529	175,000	138,049	1,242,435	25,650,774
12/01/05	549,071	549,071	56,327	1,239,202	-	138,048	1,104,387	25,732,495
06/01/06	724,070	549,070	56,327	1,182,875	175,000	138,049	966,338	25,639,217
12/01/06	547,321	547,321	56,327	1,126,548	-	138,048	828,290	25,720,938
06/01/07	727,320	547,320	56,327	1,070,221	180,000	138,048	690,242	25,622,659
12/01/07	545,521	545,521	56,327	1,013,894	-	138,049	552,193	25,704,381
06/01/08	730,521	545,521	56,327	957,567	185,000	138,048	414,145	25,601,102
12/01/08	543,439	543,439	56,327	901,240	-	138,048	276,097	25,682,823
06/01/09	733,440	543,440	56,327	844,913	190,000	138,049	138,048	25,574,545
12/01/09	541,064	541,064	56,327	788,586	-	138,048	-	25,656,266
06/01/10	2,156,064	541,064	56,327	732,259	1,615,000	-	-	23,984,939
12/01/10	2,966,189	791,189	271,143	5,401,872	2,175,000	154,681	3,402,966	65,907,518
06/01/11	3,087,870	1,257,870	271,143	5,130,729	1,830,000	154,681	3,248,285	63,651,694
12/01/11	3,058,133	1,228,133	271,143	4,859,586	1,830,000	154,681	3,093,604	61,395,870
06/01/12	2,995,683	1,200,683	271,143	5,295,447	1,795,000	154,681	4,047,439	71,727,886
12/01/12	3,251,938	1,321,938	304,810	13,870,688	1,930,000	207,468	5,741,860	158,922,548
06/01/13	2,325,951	2,325,951	526,811	13,343,877	-	255,015	5,486,845	158,140,722
12/01/13	13,239,714	2,744,714	526,811	12,817,066	10,495,000	255,015	5,231,830	146,863,896
06/01/14	5,150,360	3,135,360	657,936	17,404,126	2,015,000	254,509	4,957,132	192,716,258
12/01/14	11,509,068	3,439,068	657,936	16,746,190	8,070,000	254,509	4,702,623	183,733,813
06/01/15	3,354,469	3,354,469	657,936	16,088,254	-	254,509	4,448,114	182,821,368
12/01/15	9,889,469	3,354,469	657,936	15,430,318	6,535,000	254,509	4,193,605	175,373,923
06/01/16	3,217,744	3,217,744	657,935	14,772,383	-	254,509	3,939,096	174,461,479
12/01/16	13,852,744	3,217,744	657,943	14,114,440	10,635,000	254,509	3,684,587	162,914,027
06/01/17	3,003,619	3,003,619	601,608	13,512,832	-	254,509	3,430,078	162,057,910
12/01/17	13,718,619	3,003,619	601,608	12,911,224	10,715,000	254,508	3,175,570	150,486,794
06/01/18	2,844,244	2,844,244	601,608	12,309,616	-	254,508	2,921,062	149,630,678
12/01/18	13,429,244	2,844,244	601,608	11,708,008	10,585,000	254,508	2,666,554	138,189,562
06/01/19	2,658,669	2,658,669	601,608	11,106,400	-	254,508	2,412,046	137,333,446
12/01/19	13,103,669	2,658,669	601,608	10,504,792	10,445,000	254,508	2,157,538	126,032,330
06/01/20	2,444,081	2,444,081	601,608	9,903,184	-	254,508	1,903,030	125,176,214
12/01/20	12,889,081	2,444,081	601,608	9,301,576	10,445,000	254,508	1,648,522	113,875,098
06/01/21	2,200,956	2,200,956	601,608	8,699,968	-	254,508	1,394,014	113,018,982
12/01/21	14,135,956	2,200,956	601,607	8,098,361	11,935,000	254,508	1,139,506	100,227,867
06/01/22	1,915,127	1,915,127	386,792	7,711,569	-	99,828	1,039,678	99,741,247
12/01/22	13,668,127	1,918,127	386,792	7,324,777	11,750,000	99,828	939,850	87,504,627
06/01/23	1,715,025	1,715,025	353,126	6,971,651	-	47,042	892,808	87,104,459
12/01/23	13,025,025	1,715,025	353,126	6,618,525	11,310,000	47,042	845,766	75,394,291
06/01/24	1,483,675	1,483,675	353,126	6,265,399	-	47,043	798,723	74,994,122
12/01/24	12,338,675	1,483,675	353,126	5,912,273	10,855,000	47,043	751,680	63,738,953
06/01/25	1,262,700	1,262,700	353,126	5,559,147	-	47,043	704,637	63,338,784
12/01/25	11,552,700	1,262,700	353,126	5,206,021	10,290,000	47,043	657,594	52,648,615
06/01/26	1,038,250	1,038,250	353,126	4,852,895	-	47,043	610,551	52,248,446
12/01/26	10,678,250	1,038,250	353,126	4,499,769	9,640,000	47,043	563,508	42,208,277
06/01/27	828,825	828,825	353,126	4,146,643	-	47,043	516,465	41,808,108
12/01/27	9,688,825	828,825	353,126	3,793,517	8,860,000	47,043	469,422	32,547,939
06/01/28	637,400	637,400	353,126	3,440,391	-	47,043	422,379	32,147,770
12/01/28	8,582,400	637,400	353,126	3,087,265	7,945,000	47,043	375,336	23,802,601
06/01/29	465,200	465,200	353,126	2,734,139	-	47,043	328,293	23,402,432
12/01/29	7,340,200	465,200	353,127	2,381,012	6,875,000	47,043	281,250	16,127,262
06/01/30	306,325	306,325	353,127	2,027,885	-	47,043	234,207	15,727,092
12/01/30	5,966,325	306,325	353,127	1,674,758	5,660,000	47,043	187,164	9,666,922
06/01/31	176,525	176,525	353,127	1,321,631	-	47,043	140,121	9,266,752
12/01/31	4,441,525	176,525	353,127	968,504	4,265,000	47,043	93,078	4,601,582
06/01/32	80,075	80,075	353,127	615,377	-	47,043	46,035	4,201,412
12/01/32	2,755,075	80,075	353,127	262,250	2,675,000	47,043	(1,008)	1,126,242
06/01/33	21,625	21,625	131,125	131,125	-	(504)	(504)	995,621
12/01/33	886,625	21,625	131,125	-	865,000	(504)	-	-
	\$ 279,105,325	\$ 83,595,325	\$ 21,237,317		\$ 195,510,000	\$ 8,204,444		

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM AND REFUNDING ADJUSTMENT
2004 BONDS
FOR THE YEAR ENDED AUGUST 31, 2016

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	278,235	56,327	1,408,183	-	138,049	1,518,532	27,674,651
12/01/04	1,121,471	556,471	56,327	1,351,856	565,000	138,048	1,380,484	27,191,372
06/01/05	725,820	550,820	56,327	1,295,529	175,000	138,049	1,242,435	27,098,094
12/01/05	549,071	549,071	56,327	1,239,202	-	138,048	1,104,387	27,179,815
06/01/06	724,070	549,070	56,327	1,182,875	175,000	138,049	966,338	27,086,537
12/01/06	547,321	547,321	56,327	1,126,548	-	138,048	828,290	27,168,258
06/01/07	727,320	547,320	56,327	1,070,221	180,000	138,048	690,242	27,069,979
12/01/07	545,521	545,521	56,327	1,013,894	-	138,049	552,193	27,151,701
06/01/08	730,521	545,521	56,327	957,567	185,000	138,048	414,145	27,048,422
12/01/08	543,439	543,439	56,327	901,240	-	138,048	276,097	27,130,143
06/01/09	733,440	543,440	56,327	844,913	190,000	138,049	138,048	27,021,865
12/01/09	541,064	541,064	56,327	788,586	-	138,048	-	27,103,586
06/01/10	2,156,064	541,064	56,327	732,259	1,615,000	-	-	25,432,259
12/01/10	2,117,296	517,296	56,327	675,932	1,600,000	-	-	23,775,932
06/01/11	2,323,295	493,295	56,327	619,605	1,830,000	-	-	21,889,605
12/01/11	2,293,558	463,558	56,327	563,278	1,830,000	-	-	20,003,278
06/01/12	2,231,108	436,108	56,327	506,951	1,795,000	-	-	18,151,951
12/01/12	2,199,696	404,696	56,327	450,624	1,795,000	-	-	16,300,624
06/01/13	368,796	368,796	56,327	394,297	-	-	-	16,244,297
12/01/13	4,378,795	368,795	56,327	337,970	4,010,000	-	-	12,177,970
06/01/14	2,283,546	268,546	56,327	281,643	2,015,000	-	-	10,106,643
12/01/14	2,247,024	232,024	56,327	225,316	2,015,000	-	-	8,035,316
06/01/15	195,250	195,250	56,327	168,989	-	-	-	7,978,989
12/01/15	4,115,250	195,250	56,327	112,662	3,920,000	-	-	4,002,662
06/01/16	97,250	97,250	56,327	56,335	-	-	-	3,946,335
12/01/16	3,987,250	97,250	56,335	-	3,890,000	-	-	-
	<u>\$38,761,471</u>	<u>\$ 10,976,471</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 AND REFUNDING ADJUSTMENT
2010 BONDS
FOR THE YEAR ENDED AUGUST 31, 2016

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	273,893.33	214,815.50	4,725,940	575,000	154,681	3,402,966	43,578,906	
6/1/2011	764,575.00	764,575.00	214,815.50	4,511,125	-	154,681	3,248,285	43,209,410	
12/1/2011	764,575.00	764,575.00	214,815.50	4,296,309	-	154,681	3,093,604	42,839,913	
6/1/2012	764,575.00	764,575.00	214,815.50	4,081,494	-	154,681	2,938,923	42,470,417	
12/1/2012	764,575.00	764,575.00	214,815.50	3,866,678	-	154,681	2,784,242	42,100,920	
6/1/2013	764,575.00	764,575.00	214,815.50	3,651,863	-	154,681	2,629,561	41,731,424	
12/1/2013	764,575.00	764,575.00	214,815.50	3,437,047	-	154,681	2,474,880	41,361,927	
6/1/2014	764,575.00	764,575.00	214,815.50	3,222,232	-	154,680	2,320,200	40,992,432	
12/1/2014	764,575.00	764,575.00	214,815.50	3,007,416	-	154,680	2,165,520	40,622,936	
6/1/2015	764,575.00	764,575.00	214,815.50	2,792,601	-	154,680	2,010,840	40,253,441	
12/1/2015	764,575.00	764,575.00	214,815.50	2,577,785	-	154,680	1,856,160	39,883,945	
6/1/2016	764,575.00	764,575.00	214,815.50	2,362,970	-	154,680	1,701,480	39,514,450	
12/1/2016	764,575.00	764,575.00	214,815.50	2,148,154	-	154,680	1,546,800	39,144,954	
6/1/2017	764,575.00	764,575.00	214,815.50	1,933,339	-	154,680	1,392,120	38,775,459	
12/1/2017	6,864,575.00	764,575.00	214,815.50	1,718,523	6,100,000	154,680	1,237,440	32,305,963	
6/1/2018	660,200.00	660,200.00	214,815.50	1,503,708	-	154,680	1,082,760	31,936,468	
12/1/2018	7,200,200.00	660,200.00	214,815.50	1,288,892	6,540,000	154,680	928,080	25,026,972	
6/1/2019	542,100.00	542,100.00	214,815.50	1,074,077	-	154,680	773,400	24,657,477	
12/1/2019	7,562,100.00	542,100.00	214,815.50	859,261	7,020,000	154,680	618,720	17,267,981	
6/1/2020	391,700.00	391,700.00	214,815.50	644,446	-	154,680	464,040	16,898,486	
12/1/2020	7,966,700.00	391,700.00	214,815.50	429,630	7,575,000	154,680	309,360	8,953,990	
6/1/2021	205,375.00	205,375.00	214,815.00	214,815	-	154,680	154,680	8,584,495	
12/1/2021	8,420,375.00	205,375.00	214,815.00	-	8,215,000	154,680	-	-	
	<u>\$ 50,601,693.33</u>	<u>\$ 14,576,693.33</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, 2016

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	287,667	152,667	33,667	673,337	135,000	52,787	1,055,729	10,884,066
06/01/13	133,356	133,356	33,667	639,670	-	52,787	1,002,942	10,797,612
12/01/13	233,356	133,356	33,667	606,003	100,000	52,787	950,155	10,611,158
06/01/14	132,356	132,356	33,667	572,336	-	52,787	897,368	10,524,704
12/01/14	232,356	132,356	33,667	538,669	100,000	52,787	844,581	10,338,250
06/01/15	131,356	131,356	33,667	505,002		52,787	791,794	10,251,796
12/01/15	231,356	131,356	33,667	471,335	100,000	52,787	739,007	10,065,342
06/01/16	130,356	130,356	33,667	437,668	-	52,787	686,220	9,978,888
12/01/16	230,356	130,356	33,667	404,001	100,000	52,787	633,433	9,792,434
06/01/17	129,356	129,356	33,667	370,334		52,787	580,646	9,705,980
12/01/17	229,356	129,356	33,667	336,667	100,000	52,786	527,860	9,519,527
06/01/18	128,356	128,356	33,667	303,000	-	52,786	475,074	9,433,074
12/01/18	228,356	128,356	33,667	269,333	100,000	52,786	422,288	9,246,621
06/01/19	127,356	127,356	33,667	235,666		52,786	369,502	9,160,168
12/01/19	227,356	127,356	33,667	201,999	100,000	52,786	316,716	8,973,715
06/01/20	126,356	126,356	33,667	168,332	-	52,786	263,930	8,887,262
12/01/20	246,356	126,356	33,667	134,665	120,000	52,786	211,144	8,680,809
06/01/21	124,556	124,556	33,667	100,998	-	52,786	158,358	8,594,356
12/01/21	249,556	124,556	33,666	67,332	125,000	52,786	105,572	8,382,904
06/01/22	123,152	123,152	33,666	33,666	-	52,786	52,786	8,296,452
12/01/22	8,333,152	123,152	33,666	-	8,210,000	52,786	-	-
	<u>\$12,015,779</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, 2016

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	1,059,224	1,059,224.37	222,001	8,658,050		47,547	1,854,342	89,367,391
12/01/13	7,862,988	1,477,987.50	222,001	8,436,048	6,385,000	47,547	1,806,795	82,712,843
06/01/14	1,382,213	1,382,212.50	222,001	8,214,047	-	47,547	1,759,247	82,443,294
12/01/14	3,087,213	1,382,212.50	222,001	7,992,046	1,705,000	47,547	1,711,700	80,468,746
06/01/15	1,356,638	1,356,637.50	222,001	7,770,045	-	47,547	1,664,153	80,199,197
12/01/15	1,926,638	1,356,637.50	222,001	7,548,043	570,000	47,547	1,616,606	79,359,649
06/01/16	1,348,088	1,348,087.50	222,001	7,326,042	-	47,547	1,569,058	79,090,100
12/01/16	4,653,088	1,348,087.50	222,001	7,104,041	3,305,000	47,547	1,521,511	75,515,552
06/01/17	1,298,513	1,298,512.50	222,001	6,882,039	-	47,547	1,473,964	75,246,003
12/01/17	3,983,513	1,298,512.50	222,001	6,660,038	2,685,000	47,547	1,426,417	72,291,455
06/01/18	1,258,238	1,258,237.50	222,001	6,438,037	-	47,547	1,378,869	72,021,906
12/01/18	3,743,238	1,258,237.50	222,001	6,216,035	2,485,000	47,547	1,331,322	69,267,358
06/01/19	1,220,963	1,220,962.50	222,001	5,994,034	-	47,547	1,283,775	68,997,809
12/01/19	2,520,963	1,220,962.50	222,001	5,772,033	1,300,000	47,547	1,236,228	67,428,261
06/01/20	1,208,400	1,208,400.00	222,001	5,550,032	-	47,547	1,188,681	67,158,712
12/01/20	3,958,400	1,208,400.00	222,001	5,328,030	2,750,000	47,547	1,141,133	64,139,164
06/01/21	1,153,400	1,153,400.00	222,001	5,106,029	-	47,547	1,093,586	63,869,615
12/01/21	3,318,400	1,153,400.00	222,001	4,884,028	2,165,000	47,547	1,046,039	61,435,066
06/01/22	1,110,100	1,110,100.00	222,001	4,662,026	-	47,547	998,492	61,165,518
12/01/22	3,420,100	1,110,100.00	222,001	4,440,025	2,310,000	47,547	950,944	58,585,969
06/01/23	1,063,900	1,063,900.00	222,001	4,218,024	-	47,547	903,397	58,316,421
12/01/23	11,343,900	1,063,900.00	222,001	3,996,022	10,280,000	47,547	855,850	47,766,872
06/01/24	858,300	858,300.00	222,001	3,774,021	-	47,547	808,303	47,497,324
12/01/24	10,938,300	858,300.00	222,001	3,552,020	10,080,000	47,547	760,755	37,147,775
06/01/25	656,700	656,700.00	222,001	3,330,019	-	47,547	713,208	36,878,227
12/01/25	7,216,700	656,700.00	222,001	3,108,017	6,560,000	47,547	665,661	30,048,678
06/01/26	525,500	525,500.00	222,001	2,886,016	-	47,547	618,114	29,779,130
12/01/26	6,840,500	525,500.00	222,001	2,664,015	6,315,000	47,547	570,567	23,194,581
06/01/27	399,200	399,200.00	222,001	2,442,013	-	47,547	523,019	22,925,033
12/01/27	6,414,200	399,200.00	222,001	2,220,012	6,015,000	47,547	475,472	16,640,484
06/01/28	278,900	278,900.00	222,001	1,998,011	-	47,547	427,925	16,370,936
12/01/28	5,563,900	278,900.00	222,001	1,776,009	5,285,000	47,547	380,378	10,816,387
06/01/29	173,200	173,200.00	222,001	1,554,008	-	47,547	332,830	10,546,839
12/01/29	2,773,200	173,200.00	222,001	1,332,007	2,600,000	47,547	285,283	7,677,290
06/01/30	121,200	121,200.00	222,001	1,110,006	-	47,547	237,736	7,407,741
12/01/30	2,461,200	121,200.00	222,001	888,004	2,340,000	47,547	190,189	4,798,193
06/01/31	74,400	74,400.00	222,001	666,003	-	47,547	142,641	4,528,644
12/01/31	2,109,400	74,400.00	222,001	444,002	2,035,000	47,547	95,094	2,224,096
06/01/32	33,700	33,700.00	222,001	222,000	-	47,547	47,547	1,954,547
12/01/32	1,718,700	33,700.00	222,000	-	1,685,000	47,547	-	-
	<u>112,435,312</u>	<u>33,580,311.87</u>	<u>\$ 8,880,051</u>		<u>\$ 78,855,000</u>	<u>\$ 1,901,889</u>		

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM AND REFUNDING ADJUSTMENT
2014 BONDS
FOR THE YEAR ENDED AUGUST 31, 2016

2014 Unlimited Tax General Obligation and Refunding Bonds								
Date	Payment	Interest Expense	Premium Amortized	Unamortized Premium	Principal	Refunding Adjustment Amortized	Unamortized Refunding Adjustment	Bond Carrying Value
02/07/14				5,244,996			(20,189)	48,779,807
06/01/14	587,670	587,670.00	131,125	5,113,871	-	(505)	(19,684)	48,649,186
12/01/14	5,177,900	927,900.00	131,125	4,982,746	4,250,000	(505)	(19,180)	44,268,566
06/01/15	906,650	906,650.00	131,125	4,851,621	-	(505)	(18,675)	44,137,946
12/01/15	2,851,650	906,650.00	131,125	4,720,496	1,945,000	(505)	(18,170)	42,062,326
06/01/16	877,475	877,475.00	131,125	4,589,371	-	(505)	(17,665)	41,931,706
12/01/16	4,217,475	877,475.00	131,125	4,458,246	3,340,000	(505)	(17,161)	38,461,085
06/01/17	811,175	811,175.00	131,125	4,327,121	-	(505)	(16,656)	38,330,465
12/01/17	2,641,175	811,175.00	131,125	4,195,996	1,830,000	(505)	(16,151)	36,369,845
06/01/18	797,450	797,450.00	131,125	4,064,871	-	(505)	(15,646)	36,239,225
12/01/18	2,257,450	797,450.00	131,125	3,933,747	1,460,000	(505)	(15,142)	34,648,605
06/01/19	768,250	768,250.00	131,125	3,802,622	-	(505)	(14,637)	34,517,985
12/01/19	2,793,250	768,250.00	131,125	3,671,497	2,025,000	(505)	(14,132)	32,362,364
06/01/20	717,625	717,625.00	131,125	3,540,372	-	(505)	(13,628)	32,231,744
12/01/20	717,625	717,625.00	131,125	3,409,247	-	(505)	(13,123)	32,101,124
06/01/21	717,625	717,625.00	131,125	3,278,122	-	(505)	(12,618)	31,970,504
12/01/21	2,147,625	717,625.00	131,125	3,146,997	1,430,000	(505)	(12,113)	30,409,884
06/01/22	681,875	681,875.00	131,125	3,015,872	-	(505)	(11,609)	30,279,264
12/01/22	1,914,875	681,875.00	131,125	2,884,747	1,230,000	(505)	(11,104)	28,918,643
06/01/23	651,125	651,125.00	131,125	2,753,622	-	(505)	(10,599)	28,788,023
12/01/23	1,681,125	651,125.00	131,125	2,622,498	1,030,000	(505)	(10,095)	27,627,403
06/01/24	625,375	625,375.00	131,125	2,491,373	-	(505)	(9,590)	27,496,783
12/01/24	1,400,375	625,375.00	131,125	2,360,248	775,000	(505)	(9,085)	26,591,163
06/01/25	606,000	606,000.00	131,125	2,229,123	-	(505)	(8,580)	26,460,542
12/01/25	4,336,000	606,000.00	131,125	2,097,998	3,730,000	(505)	(8,076)	22,599,922
06/01/26	512,750	512,750.00	131,125	1,966,873	-	(505)	(7,571)	22,469,302
12/01/26	3,837,750	512,750.00	131,125	1,835,748	3,325,000	(505)	(7,066)	19,013,682
06/01/27	429,625	429,625.00	131,125	1,704,623	-	(505)	(6,561)	18,883,062
12/01/27	3,274,625	429,625.00	131,125	1,573,498	2,845,000	(505)	(6,057)	15,907,442
06/01/28	358,500	358,500.00	131,125	1,442,373	-	(505)	(5,552)	15,776,821
12/01/28	3,018,500	358,500.00	131,125	1,311,249	2,660,000	(505)	(5,047)	12,986,201
06/01/29	292,000	292,000.00	131,125	1,180,124	-	(505)	(4,543)	12,855,581
12/01/29	4,567,000	292,000.00	131,125	1,048,999	4,275,000	(505)	(4,038)	8,449,961
06/01/30	185,125	185,125.00	131,125	917,874	-	(505)	(3,533)	8,319,341
12/01/30	3,505,125	185,125.00	131,125	786,749	3,320,000	(505)	(3,028)	4,868,721
06/01/31	102,125	102,125.00	131,125	655,624	-	(505)	(2,524)	4,738,100
12/01/31	2,332,125	102,125.00	131,125	524,499	2,230,000	(505)	(2,019)	2,377,480
06/01/32	46,375	46,375.00	131,125	393,374	-	(505)	(1,514)	2,246,860
12/01/32	1,036,375	46,375.00	131,125	262,249	990,000	(505)	(1,009)	1,126,240
06/01/33	21,625	21,625.00	131,125	131,124	-	(505)	(505)	995,620
12/01/33	886,625	21,625.00	131,125	-	865,000	(505)	-	-
	<u>65,291,070</u>	<u>21,736,070.00</u>	<u>5,244,996.00</u>		<u>\$ 43,555,000</u>	<u>\$ (20,189)</u>		