

Financial Section

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Washington State Auditor's Office

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

May 20, 2016

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Auburn School District No. 408, King County, Washington, as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant

accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Auburn School District No. 408, King County, Washington, as of August 31, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As described in Note 1, during the year ended August 31, 2015, the District has implemented the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, budgetary comparison information on pages 52 through 53, information on postemployment benefits other than pensions on page 54, and pension plan information on pages 55 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying information listed as combining financial statements and supplementary information on pages 58 through 85 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing

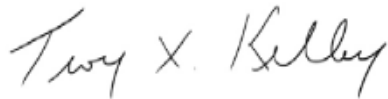
procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated May 20, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the District's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sincerely,



TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

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, 2015.

FINANCIAL HIGHLIGHTS

- The district's net position of governmental activities as of August 31, 2015 was \$156,778,296.
- During the year, the district had revenues that were \$34.3 million greater than the \$176.4 million in expenses incurred for all governmental activities.
- The general fund revenues exceeded expenditures by \$900,871.
- The state implemented Statement No. 68 of the Governmental Accounting Standards Board (GASB) *Accounting and Financial Reporting for Pensions* for fiscal year 2015 financial reporting which resulted in a decrease in the beginning balance of net position of \$93,541,690 in Governmental Activities.
- On February 11, 2014, Auburn voters approved a \$22 million technology replacement levy. The technology levy is a six-year levy and replaces the 2005 technology. The projected tax rate will remain approximately level at \$6.14 per thousand of assessed valuation. It provides funding to implement recommendations from the 2013 Technology Citizens Ad Hoc Committee. The technology recommendations include:
 - Providing 24/7 access to electronic resources for students, parents and teachers that allow for differentiation of learning, programs and support
 - Providing 1:1 student digital devices like computer tablets
 - Wireless access in all buildings
 - A robust broadband infrastructure to support varied learning structures.
- The Auburn School District board of directors unanimously approved placing a four-year Educational Program and Operations Replacement Levy on the February 9, 2016 ballot. This levy will replace the 2012 levy that expires in 2016. This levy provides 21 percent of the Auburn School District's budget. The total levy will collect \$176.85 million from 2017 to 2020, the total tax rate will remain level. Funds from the levy will be used for:
 - All athletics and activities
 - Special Education
 - Textbooks and Supplies
 - Counselors and Nurses
 - Grounds and Building Maintenance
 - Honors and Advanced Placement education and transportation

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

- The first two statements are *district-wide financial statements* that provide both short- term and long-term information about the district's overall financial status and activities. For district activities, these statements tell how these services were financed in the short term as well as what remains for future spending.
- All of the remaining statements are *fund financial statements* that report district operations in more detail by providing information about the district's most significant funds. Information is also provided about activities for which the district acts solely as a trustee for the benefit of those outside of the government.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

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

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

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

FIDUCIARY FUNDS

The district is the trustee or fiduciary, for individuals, private organizations and other governments for scholarships and to employees for an employee benefit trust for vision services. All of the district's fiduciary activities are reported in a separate *statement of fiduciary net position and changes in fiduciary net position* under the fiduciary financial statement section. These activities are excluded from the district's other financial statements because the district cannot use these assets to finance its operations. The district is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET POSITION

The financial statements of the district present a decreased 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 \$156,778,296 at the end of the fiscal year, August 31, 2015.

The **INCREASE** in total net position for the year was \$26,537,536. Key elements of this increase are as follows:

Auburn School District's Net Position			
August 31, 2015 and 2014			
	Governmental Activities		
	2015	2014	Change
Current and other assets	\$107,150,872	\$ 129,614,947	\$ (22,464,075)
Capital assets	341,116,463	304,266,268	36,850,195
Deferred charges on refunding	4,448,114	4,957,131	(509,017)
Deferred outflows on pensions	4,703,129	-	4,703,129
Total Assets & Deferred Outflows	<u>\$457,418,578</u>	<u>\$438,838,346</u>	<u>\$18,580,232</u>
			-
Other liabilities	10,369,853	20,872,353	(10,502,500)
Long-term debt outstanding	277,834,438	194,055,009	83,779,429
Deferred inflows on pensions	12,435,991	-	12,435,991
Total Liabilities & Deferred Inflows	<u>300,640,282</u>	<u>214,927,362</u>	<u>85,712,920</u>
			-
Net Position			-
Net investment in capital assets	180,154,494	174,403,405	5,751,089
Restricted	27,571,360	17,134,162	10,437,198
Committed	-	5,427,684	(5,427,684)
Assigned	-	2,100,000	(2,100,000)
Unrestricted	<u>(50,947,558)</u>	<u>24,845,733</u>	<u>(75,793,291)</u>
Total Net Position	<u><u>\$156,778,296</u></u>	<u><u>\$223,910,984</u></u>	<u><u>(\$67,132,688)</u></u>

By far, the largest portion of the Auburn School District's net position (76%) 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 (18%) 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 \$26,537,536. 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, 2015 and 2014			
<u>Revenues</u>	2015	2014	Changes
Program Revenues			
Charges for services	\$4,982,693	\$ 5,062,256	\$ (79,563)
Operating grants and contributions	52,591,086	35,973,323	16,617,763
Capital grants and contributions	2,593,835	3,074,239	(480,404)
General revenues			
Property taxes for levies for educational programs	37,948,616	32,260,282	5,688,334
Property taxes for levies for debt service	10,862,080	17,783,458	(6,921,378)
Property taxes for levies for capital improvements and technology	9,941,113	4,611,473	5,329,640
Unallocated state apportionment and other	-	-	-
Interest and investment earnings	91,291,659	85,893,906	5,397,753
Interest and investment earnings	499,289	794,000	(294,711)
Total Revenues	<u>210,710,371</u>	<u>185,452,937</u>	<u>25,257,434</u>
<u>Expenses</u>			
Regular instruction	99,499,733	94,330,409	5,169,324
Special instruction	21,915,880	19,551,130	2,364,750
Vocational instruction	6,736,229	6,397,317	338,912
Compensatory education	13,072,853	12,031,943	1,040,910
Other instructional programs	1,438,772	1,207,119	231,653
Community services	994,727	1,016,496	(21,769)
Support services	19,105,868	17,882,044	1,223,824
Child nutrition services	6,067,066	5,572,688	494,378
Pupil transportation services	7,219,884	7,219,697	187
Extracurricular activities (ASB)	2,189,386	2,263,529	(74,143)
Interest on long-term debt	5,932,437	5,590,734	341,703
Bond issuance costs	-	227,669	(227,669)
Total Expenses	<u>184,172,835</u>	<u>173,290,775</u>	<u>10,882,060</u>
Increase (decrease) in Net Position	26,537,536	12,162,162	14,375,374
Beginning Net Position	223,910,984	211,748,822	12,162,162
Cumulative Change in Accounting Principle Pensions	(93,541,690)	-	(93,541,690)
Other Prior Period Adjustments	(128,534)	-	(128,534)
Ending Net Position	<u>\$ 156,778,296</u>	<u>\$ 223,910,984</u>	<u>\$ (67,132,688)</u>

The largest revenue increase of \$16.6 million was the states construction match portion for the High School Project.

The largest revenue decrease of slightly under \$7 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 2015.

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 \$63,358,779 a decrease of \$25,166,865 over the prior year combined fund balance of \$88,525,644. 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.

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

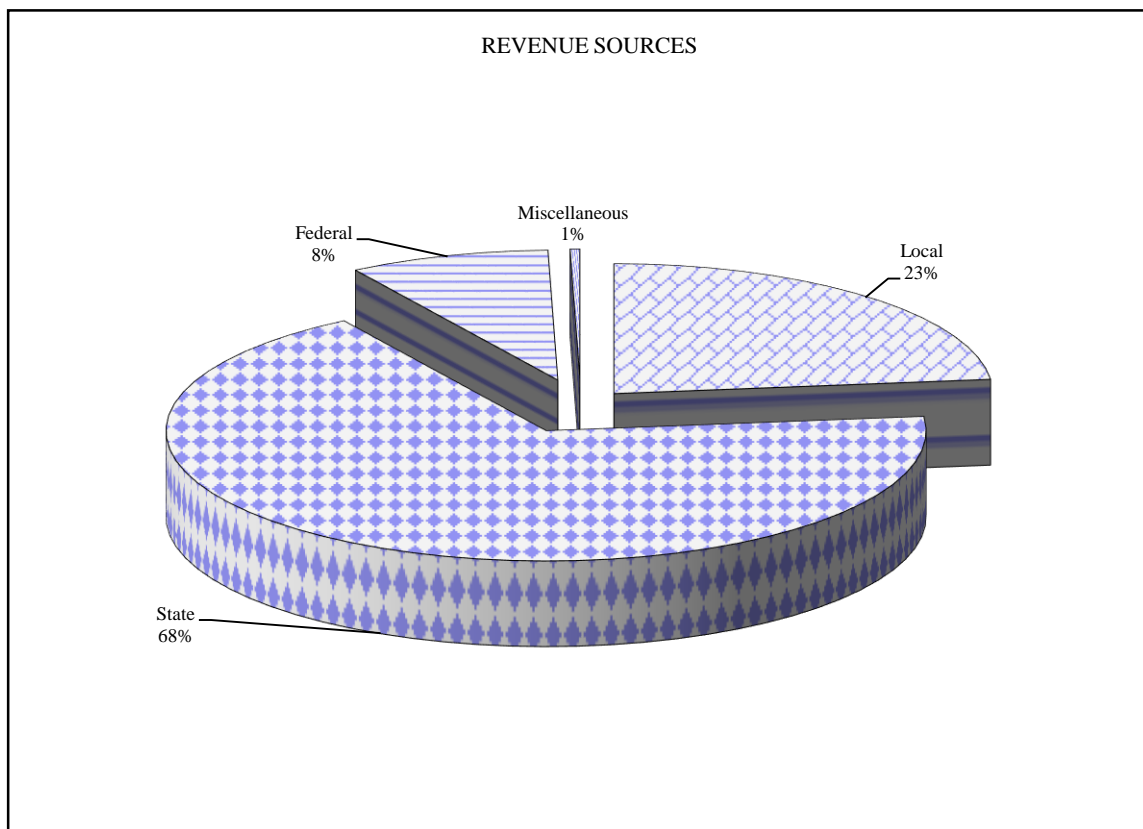
Revenues for the General Fund totaled \$168,658,512 in the fiscal year ending August 31, 2015. This was \$13,345,904 or 8.59% more than the prior year. The State of Washington provides over 68% or the largest portion of the District's revenue. Local revenues from local property taxes, and local fees and charges account for over 23% of total revenues. Federal grants provide just over 8% of revenue.

GENERAL FUND REVENUES

<u>Revenue Source</u>	2014-15	2013-14	Increase (Decrease) Amount	Increase (Decrease) Percent
Local Taxes & Non-taxes	\$38,612,602	\$ 36,107,690	\$ 2,504,912	6.94%
State Revenues	114,521,643	105,319,277	9,202,366	8.74%
Federal Revenues	14,977,095	13,240,775	1,736,320	13.11%
Other Revenues	547,172	644,866	(97,694)	-15.15%
Totals	\$ 168,658,512	\$ 155,312,608	\$ 13,345,904	8.59%

The increase of \$9,202,366 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 \$1,736,320 primarily due to the Districts participation in the Race to the Top grant.



GENERAL FUND EXPENDITURES

Expenditures in the General Fund totaled \$167,761,387 for the fiscal year. This represents an increase of \$11,779,193 or 7.55% over the prior year.

<u>GENERAL FUND</u> <u>EXPENDITURES</u>	2014-15	2013-14	Increase (Decrease) Amount	Increase (Decrease) Percent
Current				
Regular Instruction	\$94,453,405	\$87,948,964	\$ 6,504,441	7.40%
Special Education	20,973,072	18,808,349	2,164,723	11.51%
Vocational Instruction	6,289,673	6,116,658	173,015	2.83%
Compensatory Education	12,400,497	11,408,052	992,445	8.70%
Other Instructional Programs	1,358,427	1,124,538	233,889	20.80%
Community Services	891,328	1,004,058	(112,730)	-11.23%
Support Services	18,692,312	17,456,816	1,235,496	7.08%
Child Nutrition Services	5,959,847	5,460,528	499,319	9.14%
Pupil Transportation Services	6,311,305	6,406,144	(94,839)	-1.48%
Capital Outlay				
Equipment	431,521	248,087	183,434	73.94%
Totals	\$167,761,387	\$ 155,982,194	\$ 11,779,193	7.55%

Increases of \$6.5 million in state funded regular instructional expenditures, \$2,164,723 in special education instructional expenditures and \$173,015 in vocational instruction were the result of increased student enrollments.

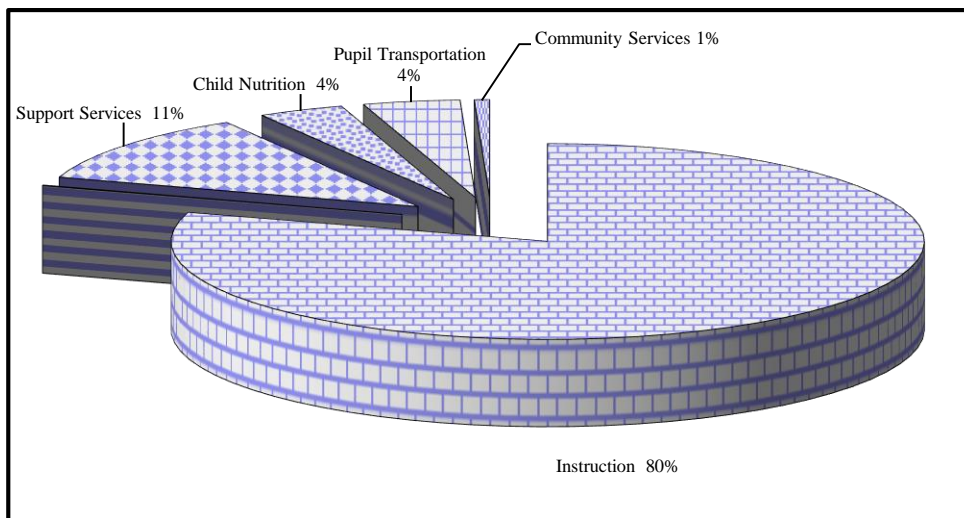
Compensatory education expenditures increased by \$992,445 due to increased federal dollars for Title I programs and increased state dollars for the state counterpart of Title I known as Learning Assistance (LAP). In addition, a continuing growing enrollment of students for whom English is not their first language generated additional state assistance to meet their educational needs.

Child Nutrition cost's increased by \$499,319 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 decreased by 1.48% or \$94,839 during the year. The decrease was mainly due to the decrease in fuel prices last year.

Special Education expenditures increase by \$2,164,723 during the year. Increased costs occurred due to an increased need to provide services for a growing special needs student population.

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 2013-14 budget adopted by the Board of Directors for the district totaled \$245,938,153 including General Fund appropriations of \$174,344,493, Special Revenue Fund (ASB) appropriations of \$4,025,302, Debt Service Fund appropriations of \$15,703,036 Capital Projects Fund appropriations of \$49,788,032 and Transportation Vehicle Fund appropriations totaling \$2,077,290.

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

- Total actual general fund revenues were \$1,626,450 less than budgeted. Almost all of that decrease was due to an over estimation of local non tax revenue received. The District received approximately \$600,000 less in state and federal aid in 2015.
- Expenditures of \$174,344,493 were \$6,583,106 less than budgeted as a result of continued cost saving initiatives.

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

- State revenues were \$12,741,661 higher than budgeted due to the District receiving \$12,271,179 in state match revenue.

- Expenditures were \$3,143,284 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 \$1.8 million. Students and their adult advisors did an outstanding job of living within their budget.
- Transportation Vehicle expenditures were \$1,273,318 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, 2015 amounted to \$270,185,819 (net of accumulated depreciation of \$124,298,580). This investment in capital assets includes land, buildings, land and building improvements, furniture and equipment.

During the fiscal year, \$102,389,247 was added to buildings for improvements that met the capitalization policy of \$100,000 and \$17,503,866 was added to Land. In addition, \$1,283,613 was added to equipment that met the capitalization policy of \$5,000 per unit. \$77,723,614 was deducted from construction in progress as a result of the Auburn High School reconstruction majority being completed and was in use, as well as for future school sites and other modernization projects. Surplused equipment that originally cost \$471,267 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	374,869,152	(109,787,786)	265,081,366
Equipment	19,615,247	(14,510,794)	5,104,453
Construction In Progress	30,738,537	-	30,738,537
Total	\$465,717,411	\$ (124,600,948)	\$ 341,116,463

DEBT ADMINISTRATION

At the end of the current fiscal year, the district had \$162,285,000 in unlimited general obligation bonds outstanding. This debt is secured by a pledge of the full faith and credit of the district. \$6,535,000 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, 2015, the maximum GO debt authorized by statutory limit was \$455.9 million. The district had \$162,285,000 of debt outstanding at August 31, 2015, that was subject to that limitation. With \$6.1 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 2015-16 appropriations for governmental funds of the district were approved at \$273,049,977, an increase of 11.6% from total appropriations of \$244,534,981 million last year.

Property tax rates of \$6.19 per \$1,000 were projected for 2016, an increase of less than 1% from the 2015 actual tax rates of \$6.14 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
Auburn School District No. 408
915 4th Street NE
Auburn, WA 98002

Government-Wide Financial Statements

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

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

The Statement of 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, 2015

		Primary Government
ASSETS	Note #	Governmental Activities
Cash and cash equivalents	1.E.1 and 2	\$ 66,106,810
Property tax receivable	1.E.2	34,930,894
Receivables, net	1.E.3	278,859
Due from other governments	1.E.5	5,284,363
Inventories	1.E.6	549,946
Capital assets, net of accumulated depreciation, where applicable:		
Land	4	40,192,107
Buildings & Improvements		265,081,366
Equipment		5,104,453
Construction in Progress	5	30,738,537
TOTAL ASSETS		448,267,335
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding		4,448,114
Pension Plan Experience Difference	6	2,850,176
Pension Plan Assumption Changes	6	18,362
Pension Plan Contributions	6	1,834,591
TOTAL DEFERED OUTFLOWS OF RESOURCES		9,151,243
LIABILITIES		
Accounts payable		7,996,410
Accrued wages and benefits payable		635,223
Due to other governments		57,867
Accrued interest		1,530,973
Unearned revenue	1.E.9	149,380
Long-Term liabilities		-
Due within one year	8	8,255,440
Due in more than one year		269,578,998
TOTAL LIABILITIES		288,204,290
DEFERRED INFLOWS OF RESOURCES		
Pension Plan Change in Proportions	6	11,448,162
Pension Plan Investment Earnings & Charges in Proportion (net difference)	6	987,828
TOTAL DEFERED INFLOWS OF RESOURCES		12,435,991
NET POSITION		
Net investment in capital assets		180,154,494
Restricted for:		
Child nutrition services		2,115,257
Student activities		1,456,658
Debt service		6,193,501
Capital projects		15,734,290
Acquisition of school buses		2,071,654
Unrestricted		(50,947,558)
TOTAL NET POSITION		\$ 156,778,296

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, 2015

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	\$ 99,499,733	\$ 396,489	\$ 1,281,944	\$ 1,895,363	\$ (95,925,936)
Special Instruction	21,915,880	-	12,910,125	-	(9,005,755)
Vocational Instruction	6,736,229	372,168	86,067	-	(6,277,994)
Compensatory Education	13,072,853	-	12,170,523	-	(902,330)
Other Instructional Programs	1,438,772	30,515	14,495,915	-	13,087,658
Community Services	994,727	428,639	-	-	(566,087)
Support Services	19,105,868	314,095	-	-	(18,791,773)
Child Nutrition Services	6,067,066	1,234,977	5,715,993	-	883,903
Pupil Transportation Services	7,219,884	-	5,930,520	698,472	(590,892)
Extracurricular Activities (ASB)	2,189,386	2,205,810	-	-	16,424
Interest Expense on Long-Term Debt	5,932,437	-	-	-	(5,932,437)
Total Governmental Activities	\$ 184,172,835	\$ 4,982,693	\$ 52,591,086	\$ 2,593,835	\$ (124,005,221)

General Revenues:

Taxes:

Property taxes, levies for educational and other programs	37,948,616
Property taxes, levies for debt service	10,862,080
Property taxes, levies for capital improvements and technology	9,941,113
Unallocated State Apportionment & Others	91,291,659
Interest and Investment earnings	499,289

Total General Revenues and Special Items**150,542,757****Changes in Net Position****26,537,536****Net Position - Beginning****223,910,984****Cumulative Effect of Change in Accounting Principle (Pensions)****(93,541,690)****Prior Period Adjustment (See Note 14)****(128,534)****Adjusted Net Position - Beginning****130,240,760****Net Position - Ending****\$ 156,778,296**

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, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND (ASB)	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANSPORTATION VEHICLE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:						
Cash and Cash Equivalents	\$ 9,256,036	\$ 1,652,290	\$ 6,204,107	\$ 46,922,161	\$ 2,072,216	\$ 66,106,810
Property Tax Receivable	17,715,007	-	6,576,774	3,929,395	(40)	28,221,136
Accounts Receivable, Net	243,388	-	-	-	-	243,388
Interest Receivable	5,903	732	3,104	25,029	704	35,471
Interfund Receivable	(583)	589	-	-	-	6
Due From Other Government Units	2,169,604	-	-	3,114,759	-	5,284,363
Inventories at Cost	549,946	-	-	-	-	549,946
TOTAL ASSETS	29,939,301	1,653,611	12,783,985	53,991,344	2,072,879	100,441,121
LIABILITIES:						
Accounts Payable	1,234,827	50,609	13,710	6,697,263	-	7,996,410
Accrued Liabilities	635,223	-	-	-	-	635,223
Due to Other Governments	10,225	2,001	-	44,376	1,265	57,867
Interfund Payable	589	(583)	-	-	-	6
Unearned Revenue-Other	900	144,926	-	3,554	-	149,380
TOTAL LIABILITIES	1,881,763	196,953	13,710	6,745,193	1,265	8,838,885
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue-Property Taxes	17,715,007	-	6,576,774	3,929,395	(40)	28,221,136
Unavailable Revenue - Other	22,320	-	-	-	-	22,320
TOTAL DEFERRED INFLOWS OF RESOURCES	17,737,327	-	6,576,774	3,929,395	(40)	28,243,456
FUND BALANCES:						
Nonspendable: Inventories	549,946	-	-	-	-	549,946
Restricted:						
Child Nutrition Federal Grant	2,115,257	-	-	-	-	2,115,257
Student Activities	-	1,456,658	-	-	-	1,456,658
Debt Service	-	-	6,193,501	-	-	6,193,501
Bond Issue Project	-	-	-	15,734,290	-	15,734,290
State Proceeds	-	-	-	12,271,179	-	12,271,179
Acquisition of School Buses	-	-	-	-	2,071,654	2,071,654
Assigned:						
Other Capital Projects	-	-	-	15,311,286	-	15,311,286
Other Purposes	2,100,000	-	-	-	-	2,100,000
Unassigned	5,555,008	-	-	-	-	5,555,008
TOTAL FUND BALANCES	10,320,211	1,456,658	6,193,501	43,316,755	2,071,654	63,358,779
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 29,939,301	\$ 1,653,611	\$ 12,783,985	\$ 53,991,344	\$ 2,072,879	\$ 100,441,121

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, 2015

	Total Governmental Funds	Long-Term Assets, Liabilities *	Reclassifications and Eliminations*	Statement of Net Position Totals
ASSETS				
Cash and Cash Equivalents	\$ 66,106,810	\$ -	\$ -	\$ 66,106,810
Property Tax Receivable	28,221,136	6,709,758	-	34,930,894
Receivables, Net	243,388	-	-	243,388
Interest Receivable	35,471	-	-	35,471
Interfund Receivable	6	-	(6)	-
Due from Other Governments	5,284,363	-	-	5,284,363
Inventories	549,946	-	-	549,946
Capital Assets, Net	-	341,116,463	-	341,116,463
TOTAL ASSETS	100,441,121	347,826,220	(6)	448,267,335
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	4,448,114	-	4,448,114
Pension Plan Experience, Assumption Changes & Plan Contributions	-	4,703,129	-	4,703,129
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	9,151,243	-	9,151,243
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	100,441,121	356,977,463	(6)	457,418,577
LIABILITIES				
Accounts Payable	7,996,410	-	-	7,996,410
Accrued Liabilities	635,223	-	-	635,223
Due to Other Governments	57,867	-	-	57,867
Interfund Payable	6	-	(6)	-
Accrued Interest	-	1,530,973	-	1,530,973
Unearned Revenue-Other	149,380	-	-	149,380
Long-Term Liabilities - Pension	-	81,249,488	-	81,249,488
Long-Term Liabilities - Non Pension	-	196,584,950.05	-	196,584,950
TOTAL LIABILITIES	8,838,885	279,365,411	(6)	288,204,290
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue-Property Taxes	28,243,456	(28,243,456)	-	-
Pension Plan Investment Earnings & Changes in Proportions	-	12,435,991	-	12,435,991
TOTAL DEFERRED INFLOWS OF RESOURCES	28,243,456	(15,807,465)	-	12,435,991
FUND BALANCES				
Total Fund Balances	63,358,779	93,419,517.05	0	156,778,297
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 100,441,121	\$ 356,977,463	\$ (6)	\$ 457,418,578

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, 2015

	GENERAL FUND	SPECIAL REVENUE FUND (ASB)	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANSPORTATION VEHICLE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Local Taxes	\$ 34,203,269	\$ -	\$ 15,335,556	\$ 6,338,463	\$ 17	\$ 55,877,305
Local Non-Tax	4,409,333	2,216,760	37,412	2,250,938	11,240	8,925,683
State, General Purpose	90,596,566	-	-	-	-	90,596,566
State, Special Purpose	23,925,077	-	-	12,271,179	698,472	36,894,728
Federal, General Purpose	26,024	-	-	-	-	26,024
Federal, Special Purpose	14,951,071	-	-	-	-	14,951,071
Revenues From Other Sources	547,172	-	-	-	13,573	560,744
TOTAL REVENUES	168,658,511	2,216,760	15,372,968	20,860,580	723,301	207,832,121
EXPENDITURES						
Current:						
Regular Instruction	94,453,405	-	-	-	-	94,453,405
Special Instruction	20,973,072	-	-	-	-	20,973,072
Vocational Instruction	6,289,673	-	-	-	-	6,289,673
Compensatory Education	12,400,497	-	-	-	-	12,400,497
Other Educational Programs	1,358,429	-	-	-	-	1,358,429
Community Services	891,328	-	-	-	-	891,328
Support Services	18,692,312	-	-	-	-	18,692,312
Child Nutrition Services	5,959,847	-	-	-	-	5,959,847
Pupil Transportation Services	6,311,305	-	-	-	-	6,311,305
Extracurricular Activities (ASB)	-	2,189,320	-	-	-	2,189,320
Debt Service:						
Principal	-	-	8,795,000	-	-	8,795,000
Interest and Other Charges	-	-	6,808,305	-	-	6,808,305
Capital Outlay:						
Sites	-	-	-	32,121	-	32,121
Buildings	-	-	-	42,926,617	-	42,926,617
Equipment	431,521	-	-	2,776,740	803,972	4,012,233
Energy	-	-	-	909,269	-	909,269
TOTAL EXPENDITURES	167,761,387	2,189,320	15,603,305	46,644,748	803,972	233,002,732
Excess of Revenues Over						
(Under) Expenditures	897,124	27,440	(230,338)	(25,784,167)	(80,671)	(25,170,612)
OTHER FINANCING SOURCES (USES)						
Sale of Equipment	3,747	-	-	-	-	3,747
TOTAL OTHER FINANCING SOURCES (USES)	3,747	-	-	-	-	3,747
NET CHANGE IN FUND BALANCE	900,871	27,440	(230,338)	(25,784,167)	(80,671)	(25,166,865)
Fund Balances - September 1	9,419,340	1,429,218	6,423,839	69,100,923	2,152,325	88,525,644
Fund Balances - August 31	\$ 10,320,211	\$ 1,456,658	\$ 6,193,501	\$ 43,316,756	\$ 2,071,654	\$ 63,358,780

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, 2015

	Total Governmental Funds	Long-Term Revenue, Expenses *	Capital Related items *	Long-Term Debt Transactions *	Statement of Activities Totals
REVENUES AND OTHER SOURCES					
Property Taxes	\$ 55,877,305	\$ 2,874,504	\$ -	\$ -	\$ 58,751,808
Local Non-Taxes	8,925,683	-	3,747	-	8,929,430
State, General Purpose	90,596,566	-	-	-	90,596,566
State, Special Purpose	36,894,728	-	-	-	36,894,728
Federal, General Purpose	26,024	-	-	-	26,024
Federal, Special Purpose	14,951,071	-	-	-	14,951,071
Revenues From Other Sources	560,744	-	-	-	560,744
TOTAL	207,832,121	2,874,504	3,747	-	210,710,371
EXPENDITURES/EXPENSES					
Current:					
Regular Instruction	94,453,405	(3,344,878)	8,391,206	-	99,499,733
Special Instruction	20,973,072	359,498	583,311	-	21,915,880
Vocational Instruction	6,289,673	185,434	261,123	-	6,736,229
Compensatory Education	12,400,497	183,133	489,224	-	13,072,853
Other Instructional Programs	1,358,429	29,190	51,153	-	1,438,772
Community Services	891,328	103,399	-	-	994,727
Support Services	18,692,312	87,391	326,164	-	19,105,868
Child Nutrition Services	5,959,847	64,442	42,778	-	6,067,066
Pupil Transportation Services	6,311,305	166,320	742,259	-	7,219,884
Extracurricular Activities (ASB)	2,189,320	-	66	-	2,189,386
Debt Service:					
Principal	8,795,000	-	-	(8,795,000)	-
Interest and Other Charges	6,808,305	-	-	(875,868)	5,932,437
Capital Outlay:					
Sites	32,121	-	(32,121)	-	-
Buildings	42,926,617	-	(42,926,617)	-	-
Equipment	4,012,233	-	(4,012,233)	-	-
Energy	909,269	-	(909,269)	-	-
TOTAL EXPENDITURES/EXPENSES	233,002,732	(2,166,071)	(36,992,958)	(9,670,868)	184,172,835
EXCESS OF REVENUES OVER UNDER EXPENDITURES					
	(25,170,612)	5,040,574	36,996,705	9,670,868	26,537,536
OTHER FINANCING SOURCES (USES)					
Sale of Equipment	3,747	-	(3,747)	-	-
TOTAL OTHER FINANCING SOURCES (USES)					
	3,747	-	(3,747)	-	-
NET CHANGE FOR THE YEAR					
	\$ (25,166,865)	\$ 5,040,574	\$ 36,992,958	\$ 9,670,868	\$ 26,537,536

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 Fund and the Employee Benefit Trust Fund. The fiduciary funds financial statements focus on net assets and changes in net assets.

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

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



AUBURN SCHOOL DISTRICT NO. 408
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
August 31, 2015

	Private Purpose Trust Fund	Employee Benefit Trust Fund
ASSETS		
Cash and Cash Equivalents	\$ 541,460	\$ 151,752
Due From Other Funds	-	-
Interest Receivable	308	56
TOTAL ASSETS	\$ 541,768	151,808
LIABILITIES		
Accounts Payable	3,165	19,353
TOTAL LIABILITIES	3,165	19,353
NET POSITION		
Held in Trusts for Scholarships and Student Aid	538,603	-
Held in Trust for Member Benefits	-	104,180
NET POSITION	\$ 538,603	\$ 132,455

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, 2015

	Private Purpose Trust Fund	Employee Benefit Trust Fund
ADDITIONS		
Donations	\$ 143,486	\$ -
Member Contributions	-	290,214
Investment Earnings	-	606
Total Additions	143,486	290,820
DEDUCTIONS		
Scholarships	167,326	-
Loss On Investments	-	-
Benefit Claims and Expenses	-	262,545
Total Deductions	167,326	262,545
Change in Net Position	(23,840)	28,275
Net Position, Beginning of the year	562,443	104,180
Net Position, End of the year	\$ 538,603	\$ 132,456

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, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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

B. BASIS OF PRESENTATION

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

1). Government – Wide Financial Statements

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

a. Statement of Net Position

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

b. Statement of Activities

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

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

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

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

2). Fund Financial Statements

a. Governmental Funds

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

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

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

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

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

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

b. Fiduciary Funds

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

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Governmental fund financial statements include the General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Fund and Transportation Vehicle Fund. They are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the district considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

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

1). Encumbrances

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

2). Eliminations and Reclassifications

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

D. BUDGETS AND BUDGETARY ACCOUNTING

1). General Budget Policies

The Auburn School District budgets its funds in accordance with the Revised Code of Washington Chapter 28A.505 and Chapter 392-123 of the Washington Administrative Code (WAC). The School District Board adopts the budget after a public hearing. An appropriation is a prerequisite to expenditure. Appropriations lapse at the end of the fiscal period. Annual appropriated budgets are adopted at the fund level. Each governmental fund’s total expenditures cannot, by law, exceed its formal fund appropriation. Management is authorized to modify specific accounts within the overall fund appropriation. However, only the Board has the authority to increase or decrease a given fund’s annual budget. The Board may adopt a revised or supplemental budget appropriation after a public hearing at 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, 2014, total district cash and cash equivalents were \$66,800,023. Of that amount, \$66,106,810 was in the governmental funds and \$693,212 was in the fiduciary funds. At August 31, 2015 total district imprest funds were \$66,456, total district cash on hand was \$0, total district warrants outstanding were \$2,982,350 and the fair market value of the districts funds in the King County Investment Pool was \$66,800,023. 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, 2015, such securities comprised 0.1% of the Pool's portfolio. As of August 31, 2015, the district's funds invested in the Pool comprised 1.28% 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 \$5,284,363 of receivables for federal grants of \$2,169,604, and local government impact fees of \$3,114,759. 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, 2015 was \$2,145,840 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, 2015, vacation leave payable, estimated to be \$790,460 is reported as a long-term liability in the *government-wide financial statements*.

F. REPORTING CHANGES

The District has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires governmental employers with employees participating in defined benefit pension plans that are administered through trusts or equivalent arrangements to report their proportionate share of the net pension liability (or net assets, if the plan net position exceeds the total pension liability) on the face of their accrual based 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 \$69,715,917, the warrants outstanding were \$2,982,350 and the petty cash, change funds and cash on hand totaled \$11,456. Total district cash and cash equivalents were \$66,800,023. Of this amount, \$66,106,810 were in governmental funds and \$693,212 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, 2015, the fair value of the district investment in the pool was \$69,715,917 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 2014-15 was \$49,197. This increase has been recognized and reported against investment income.

Impaired Investments.

As of August 31, 2015, 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 \$185,116 and the District's fair value of these investments is \$49,197.

Interest Rate Risk.

As of August 31, 2015, the Pool's average duration was 1.00 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, 2015, 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, 2015, 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	\$ (583)	\$ 589
Capital Projects Fund	-	-
ASB Fund	589	(583)
Tran Vehicle	-	-
Total	<u>\$ 6</u>	<u>\$ 6</u>

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 \$16,103,302. Of this amount \$74,829 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 \$306,336,016 on August 31, 2015. In the opinion of the district’s insurance consultant, the amount is sufficient to adequately fund replacement of the district’s assets.

	Balance 9/1/2014	Additions	Deletions	Balance 8/31/2015
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 22,990,609	\$ 17,503,866	\$ -	\$ 40,494,475
Construction in progress	108,462,150	(77,723,614)		30,738,537
Total capital assets, not being depreciated	131,452,759	(60,219,747)	-	71,233,012
Capital assets, being depreciated:				
Buildings and improvements	272,479,905	102,389,247		374,869,152
Furniture and equipment	18,802,901	1,283,613	(471,267)	19,615,247
Total capital assets, being depreciated	291,282,807	103,672,860	(471,267)	394,484,399
Less: accumulated depreciation				
Buildings and improvements	(104,628,587)	(5,461,568)		(110,090,154)
Furniture and equipment	(13,969,244)	(1,012,817)	471,267	(14,510,794)
Total accumulated depreciation	(118,597,831)	(6,474,384)	471,267	(124,600,948)
Total capital assets, being depreciated, net	172,813,509	97,198,475	-	269,883,451
Governmental activities capital assets, net	\$ 304,137,735	\$ 36,978,728	\$ -	\$ 341,116,463

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	\$ 4,072,333
Special instruction	583,311
Vocational instruction	263,313
Compensatory education	489,224
Other instructional programs	51,153
Support services	270,721
Child Nutrition services	2,005
Transportation services	742,259
ASB	66
Total depreciation expense	
charged to governmental activities	<u>\$ 6,474,384</u>

NOTE 5. CONSTRUCTION IN PROGRESS

Project	Authorized	Expended	Committed
Auburn High School Modernization	\$ 60,000,000	\$ 2,067,771	\$ 36,067,992
Future School Sites	4,505,473	4,393,216	-
Future Middle School Site #5	-	-	-
Multi-Facility Phase 2 Energy Improvements		5,733,177	-
Cascade & Mt Baker Improvements		3,139,098	-
Evergreen Heights & Gildo Rey Improvements		3,076,656	-
Lakeview Elementary Improvements		2,582,529	-
Multi-Facility Portables		1,959,922	-
Multi-Facility Fiber Optic Project	621,798	621,798	-
Auburn Riverside Improvements		4,626,081	-
Alpac Elementary Improvements	393,153	393,153	-
Secondary School HVAC Improvements	317,653	317,653	-
Lakeland Hills Portable		248,854	-
Multi-Facility Energy Upgrades		318,170	-
Other Improvements		1,260,459	-
Totals Construction in Progress	\$ 65,838,077	\$ 30,738,537	\$ 36,067,992

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, 2015, was as follows:

Plan	Active Members	Inactive Vested Members	Retired Members
PERS 1	4,782	1,178	51,070
SERS 2	22,950	5,357	5,796
SERS 3	30,832	6,963	4,825
TRS 1	1,824	323	35,639
TRS 2	13,632	2,357	3,894
TRS 3	51,837	7,655	6,094

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 2015 were as follows:

Pension Rates			
	7/1/15 Rate	7/1/14 Rate	
PERS 1			
Member Contribution Rate	6.00%	6.00%	
Employer Contribution Rate	11.18%	9.21%	
Pension Rates			
	9/1/15 Rate	9/1/14 Rate	
TRS 1			
Member Contribution Rate	6.00%	6.00%	
Employer Contribution Rate	13.13%	10.39%	
TRS 2			
Member Contribution Rate	5.95%	4.96%	
Employer Contribution Rate	13.13%	10.39%	
TRS 3			
Member Contribution Rate	varies*	varies*	
Employer Contribution Rate	13.13%	10.39%	**
SERS 2			
Member Contribution Rate	5.63%	4.64%	
Employer Contribution Rate	11.58%	9.82%	
SERS 3			
Member Contribution Rate	varies*	varies*	
Employer Contribution Rate	11.58%	9.82%	**

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, 2015:				
Dollars in Thousands	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Total Pension Liability	\$12,789,242	\$4,473,428	\$9,237,730	\$11,220,833
Plan fiduciary net position	(\$7,558,312)	(\$4,067,277)	(\$6,069,588)	(\$10,377,031)
Participating employers' net pension liability	\$5,230,930	\$406,151	\$3,168,142	\$843,802
Plan fiduciary net position as a percentage of the total pension liability	59.10%	90.92%	65.70%	92.48%

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

At June 30, 2015, the school district reported a total liability of \$81,249,488 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, 2015, the district's proportionate share of each plan's net pension liability is reported below:

June 30, 2015	PERS 1	SERS 2/3	TRS 1	TRS 2/3
District's Annual Contributions	1,080,193	1,484,686	3,498,213	4,165,580
Proportionate Share of the Net Pension Liability	12,294,252	6,202,389	49,526,279	13,226,568

At June 30, 2015, 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	0.235030%	1.527114%	1.563259%	1.567497%
Prior year proportionate share of the Net Pension Liability	0.226577%	1.601031%	1.638483%	1.648953%
Net difference percentage	0.008453%	-0.073917%	-0.075224%	-0.081456%

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, 2014, with the results rolled forward to June 30, 2015, 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, 2014, 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 2014 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 CMAs. 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, 2015, 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	\$6,368,671,000	\$5,230,930,000	\$4,252,577,000
Allocation Percentage	0.235030%	0.235030%	0.235030%
Proportionate Share of Collective NPL	\$ 14,968,284	\$ 12,294,252	\$ 9,994,830
SERS2/3 NPL	\$1,282,039,000	\$406,151,000	(\$273,474,000)
Allocation Percentage	1.527114%	1.527114%	1.527114%
Proportionate Share of Collective NPL	\$ 19,578,199	\$ 6,202,389	\$ (4,176,260)
TRS1 NPL	\$3,982,571,000	\$3,168,142,000	\$2,467,801,000
Allocation Percentage	1.563259%	1.563259%	1.563259%
Proportionate Share of Collective NPL	\$ 62,257,917	\$ 49,526,279	\$ 38,578,132
TRS2/3 NPL	\$3,570,229,000	\$843,802,000	(\$1,183,066,000)
Allocation Percentage	1.567497%	1.567497%	1.567497%
Proportionate Share of Collective NPL	\$ 55,963,218	\$ 13,226,568	\$ (18,544,519)

Pension Expense

For the year ending August 31, 2015, the district recognized a total pension expense of \$14,515,983.

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, 2015, 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	\$0	\$(672,630)
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	\$191,168	\$0
TOTAL	\$191,168	\$(672,630)
SERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$756,487	\$0
Net difference between projected and actual earnings on pension plan investments	\$0	\$(1,978,269)
Changes in assumptions or other inputs	\$6,872	\$0
Changes in proportion and differences between contributions and proportionate share of contributions	\$0	\$(278,589)
Contributions subsequent to the measurement date	\$261,999	\$0
TOTAL	\$1,025,358	\$(2,256,858)

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	\$0	\$(3,665,750)
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	\$620,264	\$0
TOTAL	\$620,264	\$(3,665,750)

TERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$2,093,690	\$0
Net difference between projected and actual earnings on pension plan investments	\$0	\$(5,131,514)
Changes in assumptions or other inputs	\$11,490	\$0
Changes in proportion and differences between contributions and proportionate share of contributions	\$0	\$(709,240)
Contributions subsequent to the measurement date	\$761,160	\$0
TOTAL	\$2,866,339	\$(5,840,753)

\$1,834,591 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, 2016.

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
2016	(260,688)	(612,250)	(1,421,769)	(1,698,803)
2017	(260,688)	(612,250)	(1,421,769)	(1,698,803)
2018	(260,688)	(612,250)	(1,421,753)	(1,698,818)
2019	109,435	343,249	599,541	1,205,753
2020	-	-	-	155,097
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 2015:

Descriptions	Type of Coverage			
	Non-Medicare Retiree	Non-Medicare Retiree & Spouse	Medicare Retiree	Medicare Retiree & Spouse
Group Health Classic	\$ 600.80	\$ 1,195.35	\$ 148.14	\$ 290.03
Group Health Value	569.38	1,132.51		
Group Health CDHP	530.10	1,044.74		
Kaiser Permanente Classic	619.65	1,233.05	153.02	299.79
Kaiser Permanente CDHP	540.35	1,064.74		
Uniform Medical Plan Classic	578.51	1,150.77	234.69	463.13
Uniform Medical Plan CDHP	535.82	1,056.18		
Premiera Blue Cross Plan F			110.08	313.09
Uniform Dental Plan	45.22	90.44	45.22	90.44
DeltaCare	39.53	79.06	39.53	79.06
Willamette Dental	42.37	84.74	42.37	84.74

For 2015, 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, 2015
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	588,274
Adjustment to ARC	(455,370)
Annual OPEB Cost	<u>3,580,493</u>
Contributions Made	<u>(1,377,845)</u>
Increase in Net OPEB Obligation	2,202,648
Net OPEB Obligation - Beginning of Year	<u>13,072,748</u>
Net OPEB Obligation - End of Year*	<u>\$ 15,275,396</u>

The District’s annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for Fiscal Years 2009 to 2015 were as follows:

OPEB COST			
Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
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
8/31/2009	\$ 3,554,516	21.36%	\$ 2,795,263

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
2009-10	7.00%	3.50%
2010-11	7.00%	3.50%
2011-12	6.50%	3.50%
2012-13	6.00%	3.50%
2013-14	5.50%	3.00%
2014-15	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 \$92,928,939 is 41.44%.

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

NOTE 8. LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2015 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Bonds Payable:					
2004 UTGO Refunding Bonds	\$ 9,825,000	\$ -	\$ 2,015,000	\$ 7,810,000	\$ 3,920,000
2004 UTGO Bonds	725,000	-	725,000	-	-
2010 UTGO Refunding Bonds	35,450,000	-	-	35,450,000	-
2012 UTGO Refunding Bonds	9,055,000	-	100,000	8,955,000	100,000
2013 UTGO and Refunding Bonds	72,470,000	-	1,705,000	70,765,000	570,000
2014 UTGO and Refunding Bonds	43,555,000	-	4,250,000	39,305,000	1,945,000
Total Bonds Payable	171,080,000	-	8,795,000	162,285,000	6,535,000
Unamortized Bond Premium	17,423,590	-	1,335,336	16,088,254	1,315,871
Net Bonds Payable	188,503,590	-	10,130,336	178,373,254	7,850,871
Net Pension Liabilities:					
PERS Plan 1	11,413,923	2,639,032	1,758,702	12,294,253	-
SERS Plans 2/3	3,360,900	6,423,328	3,581,839	6,202,389	-
TRS Plan 1	48,326,302	8,365,643	7,165,667	49,526,278	-
TRS Plans 2/3	5,325,937	17,433,216	9,532,585	13,226,568	-
Total Net Pension Liabilities	68,427,062	34,861,219	22,038,793	81,249,488	-
Other Liabilities:					
Compensated Absences	2,759,909	2,936,300	2,759,909	2,936,300	404,569
Net OPEB Obligation	13,072,748	2,202,648	-	15,275,396	-
GRAND TOTAL	\$ 272,763,309	\$ 40,000,167	\$ 34,929,038	\$ 277,834,438	\$ 8,255,440

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, 2015, including interest payments, are listed as follows:

Year Ending August 31, 2015	Principal	Interest	Total
2016	6,535,000	6,572,212	13,107,212
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
2021-2025	56,295,000	18,339,344	74,634,344
2026-2030	43,610,000	7,508,375	51,118,375
2031-2033	13,465,000	1,057,675	14,522,675
Total	\$ 162,285,000	\$ 56,152,494	\$ 218,437,494

General obligation school building bonds payable at August 31, 2015, 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%	\$ 7,810,000
\$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%	8,955,000
\$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%	70,765,000
\$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%	39,305,000
	<u>\$ 162,285,000</u>

ADVANCE REFUNDING OF 2004 BONDS

On February 7, 2014, the district sold \$43,555,000 in unlimited tax general obligation and refunding bonds at a premium of \$5,244,996. The new money portion of the bonds of \$40,235,000 par value and \$4,975,641 premium represents the final series of bonds issued under the \$110 million bond authorized by the voters on November 6, 2012. The balance of the issue of \$3,320,000 advance refunded \$3,390,000 of the 2004 bonds. The total net refunding savings of \$249,951 had a net present value of \$232,681 as of February 7, 2014, the bond sale settlement date. The percentage savings of the refunded bonds was 6.86%. The net interest cost was 3.72%. Net proceeds of \$3,564,451 were used to purchase United State Treasury Notes. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service on the refunded bonds. As a result, these bonds are considered to be defeased. The District advance refunded these bonds to reduce its total debt service payments.

PRIOR-YEAR DEFEASANCE OF DEBT

In prior years, the district defeased other general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the bonds defeased in the current year as well as those defeased in prior years are not included in the district's financial statements. At August 31, 2013, \$ 80,100,000 of bonds outstanding are considered defeased.

LEGAL DEBT MARGIN

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

- 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 \$9,119,672,874.

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 there were no claim payments during the fiscal year due to a credit of \$3,457 at June 30, 2015, it is clear that all of the major prior year claims have been completely paid and the credit will be applied to future claims until exhausted.

B. INDUSTRIAL INSURANCE

For the fiscal year ended August 31, 2015, Auburn School district made payments totaling \$1,383,946 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, 2015, the district contributed \$855,412 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, 2015. 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	\$ 63,358,780
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	30,738,537
Buildings and improvements, net of \$109,787,786 accum. depreciation	265,081,367
Furniture and equipment, net of \$ 14,510,794 accumulated depreciation	<u>5,104,453</u>
	341,116,463
Property taxes that are deferred in government funds since not available soon enough to pay for the current period's expenditures.	34,930,894
	22,320
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.	(1,530,973)
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	4,448,114
Deferred Outflow on Pension Plans	4,703,129
Liabilities:	
Bonds Payable	(\$162,285,000)
Unamortized bond premiums	(16,088,254)
Compensated Absences	(2,936,300)
Net OPEB Obligation	(15,275,396)
Net Pension Liability - all plans	<u>(81,249,488)</u>
Deferred Inflows of Resources:	
Deferred Inflow on Pension Plans	(12,435,991)
	(277,834,438)
Total net position of governmental activities	<u><u>\$ 156,778,296</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 \$ (25,166,865)

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	\$ 43,453,112	
Depreciation expense	<u>(6,474,384)</u>	\$ 36,978,728

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	\$ 8,795,000	
Interest and other charges - general obligation bonds	875,868	
Refunding Bond Sale	<u>-</u>	9,670,868

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. 2,874,504

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 4,382,949

Net OPEB Obligation (2,202,648)

Change in net position of governmental activities \$ 26,537,536

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 8/31/14	\$ 9,419,340	\$ 1,429,218	\$ 6,423,838	\$ 69,100,923	\$ 2,152,325
Nonspendable: Inventories	105,021	(671)	-	-	-
Restricted:					
Child Nutrition Services	18,317	-	-	-	-
Student Activities	-	28,111	-	-	-
Debt Service	-	-	(230,337)	-	-
Capital Projects	-	-	-	22,972,957	-
Acquisition of Buses	-	-	-	-	(80,671)
Committed:					
Capital Levy Projects	-	-	-	(5,427,684)	-
Assigned:					
Other Capital Projects	-	-	-	(43,329,441)	-
Unassigned	777,533	-	-	-	-
Total Fund Balance 8/31/15	\$ 10,320,211	\$ 1,456,658	\$ 6,193,501	\$ 43,316,755	\$ 2,071,654

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 2014 totaled \$2,781,533. Auburn School District’s equity in KCDA totaled \$255,423 as of December 31, 2014. 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. PRIOR PERIOD ADJUSTMENTS

Beginning net position of the District as of August 31, 2015 was restated for prior period adjustments. The adjustments principally relate to the implementation of Statement No. 68 of the Governmental Accounting Standards Board (GASB) Accounting and Financial Reporting for Pensions for fiscal year 2015 financial reporting. The cumulative total is comprised of two calculations: Beginning Deferred Inflows of Pension Plans Investment Earnings (\$26,808,185) and Beginning Net Pension Liability (\$68,427,062), net of Deferred Outflows of Pension Plan Contributions (\$1,693,557). Total Cumulative Effect of Change in Accounting Principle is \$93,541,690.

In addition, a prior period adjustment resulted from the disposal of assets that were not fully depreciated but removed from the Districts capital assets. The historical costs for the assets disposed was \$226,957, with accumulated depreciation of \$101,675, resulting in a loss of \$125,282. This loss was not recorded in the year the assets were disposed. We have now identified this error along with another previous loss of \$3,252, and have adjusted the Beginning Accumulated Depreciation by the total losses not recorded in previous years of \$128,534. This adjustment to the Beginning Accumulated Depreciation also effects the Beginning Net Position by the same amount.

As a result of the two above adjustments, the total Beginning Net Position decreased from \$223,910,984 to \$130,240,760.

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, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Local	\$ 40,981,748	\$ 40,717,148	\$ 38,612,602	\$ (2,104,546)
State	113,508,454	113,508,454	114,521,643	1,013,189
Federal	15,262,721	15,262,721	14,977,095	(285,626)
Other	785,723	785,723	547,172	(238,551)
TOTAL REVENUES	170,538,646	170,274,046	168,658,511	(1,615,535)
EXPENDITURES				
CURRENT				
Regular Instruction	94,063,828	95,171,810	94,453,405	718,405
Special Education	19,665,078	20,765,078	20,973,072	(207,994)
Vocational Instruction	6,793,581	6,793,581	6,289,673	503,908
Compensatory Education	12,369,566	12,369,566	12,400,497	(30,931)
Other Instructional Programs	4,292,046	4,292,046	1,358,429	2,933,617
Community Services	1,298,738	1,298,738	891,328	407,410
Support Services	20,060,205	20,060,205	18,692,312	1,367,893
Child Nutrition Services	6,381,461	6,381,461	5,959,847	421,614
Pupil Transportation Services	6,882,864	6,882,864	6,311,305	571,559
CAPITAL OUTLAY				
Equipment	329,144	329,144	431,521	(102,377)
TOTAL EXPENDITURES	172,136,511	174,344,493	167,761,387	6,583,106
Excess of Revenues Over (Under) Expenditures	(1,597,865)	(4,070,447)	897,124	4,967,571
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	-	3,747	3,747
Total Other Financing Sources (Uses)	-	-	3,747	3,747
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses	(1,597,865)	(4,070,447)	900,871	4,971,318
FUND BALANCE-September 1	9,301,891	10,033,331	9,419,340	(613,991)
FUND BALANCE -August 31	\$ 7,704,026	\$ 5,962,884	\$ 10,320,211	\$ 4,357,327

* 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, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
General	\$ 1,753,002	\$ 1,753,002	\$ 651,777	\$ (1,101,225)
Athletics	\$ 243,220	243,220	217,879	(25,341)
Classes	\$ 254,953	254,953	120,022	(134,931)
Clubs	\$ 1,757,792	1,757,792	1,172,331	(585,461)
Private Monies	\$ 102,460	102,460	54,751	(47,709)
Total Revenues	4,111,427	4,111,427	2,216,760	(1,894,667)
EXPENDITURES				
General	1,259,922	1,259,922	502,407	757,515
Athletics	346,921	346,921	281,345	65,576
Classes	290,273	290,273	103,029	187,244
Clubs	2,021,010	2,021,010	1,255,299	765,711
Private Monies	107,176	107,176	47,240	59,936
Total Expenditures	4,025,302	4,025,302	2,189,320	1,835,982
Excess of Revenues Over (Under) Expenditures	86,125	86,125	27,440	(58,685)
FUND BALANCE - September 1	1,090,784	1,090,784	1,429,218	338,434
FUND BALANCE - August 31	\$ 1,176,909	\$ 1,176,909	\$ 1,456,658	\$ 279,749

*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%

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 six years of data are shown.

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

	<u>2015</u>
Plan: PERS 1	
District's Proportion of the net pension liability (percentage)	0.235030%
District's proportionate share of the net pension liability (amount)	12,294,252
District's covered-employee payroll	342,804
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	3586.38%
Plan fiduciary net position as a percentage of the total pension liability	59.10%
Plan: SERS 2/3	
District's Proportion of the net pension liability (percentage)	1.527114%
District's proportionate share of the net pension liability (amount)	6,202,389
District's covered-employee payroll	26,284,813
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	23.60%
Plan fiduciary net position as a percentage of the total pension liability	90.92%
Plan: TRS 1	
District's Proportion of the net pension liability (percentage)	1.563259%
District's proportionate share of the net pension liability (amount)	49,526,279
District's covered-employee payroll	1,722,137
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	2875.86%
Plan fiduciary net position as a percentage of the total pension liability	65.70%
Plan: TRS 2/3	
District's Proportion of the net pension liability (percentage)	1.567497%
District's proportionate share of the net pension liability (amount)	13,226,568
District's covered-employee payroll	73,340,017
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	18.03%
Plan fiduciary net position as a percentage of the total pension liability	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
LAST 10 FISCAL YEARS***

	2015
Plan: PERS 1	
Contractually required contribution	\$ 1,080,192.96
Contributions in relation to the contractually required contributions	\$ 1,080,192.96
Contribution deficiency (excess)	0
District's covered-employee payroll	\$ 342,804.07
Contribution as a percentage of covered-employee payroll	315.11%
Plan: SERS 2/3	
Contractually required contribution	\$ 1,484,686.08
Contributions in relation to the contractually required contributions	\$ 1,484,686.08
Contribution deficiency (excess)	0
District's covered-employee payroll	\$ 26,284,813.05
Contribution as a percentage of covered-employee payroll	5.65%
Plan: TRS 1	
Contractually required contribution	\$ 3,498,212.95
Contributions in relation to the contractually required contributions	\$ 3,498,212.95
Contribution deficiency (excess)	0
District's covered-employee payroll	\$ 1,722,137.35
Contribution as a percentage of covered-employee payroll	203.13%
Plan: TRS 2/3	
Contractually required contribution	\$ 4,165,580.31
Contributions in relation to the contractually required contributions	\$ 4,165,580.31
Contribution deficiency (excess)	0
District's covered-employee payroll	\$ 73,340,017.33
Contribution as a percentage of covered-employee payroll	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, 2015 AND 2014

	2014-15	2013-14
ASSETS		
Cash and Cash Equivalents	\$ 9,256,036	\$ 10,415,562
Property Tax Receivable	17,715,007	15,860,154
Accounts Receivable, Net	243,388	630,510
Interest Receivable	5,903	7,326
Interfund Receivable	(583)	6,866
Due From Other Governments	2,169,604	1,173,115
Inventories, at Cost	549,946	453,926
TOTAL ASSETS	\$ 29,939,301	\$ 28,547,459
LIABILITIES		
Accounts Payable	1,234,827	954,774
Accrued Wages and Benefits Payable	635,223	2,261,964
Due To Other Governments	10,225	15,593
Interfund Payable	589	5,337
Unearned Revenue-Other	900	315
TOTAL LIABILITIES	\$ 1,881,763	\$ 3,237,983
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-Property Taxes	17,715,007	15,860,154
Unavailable Revenue - Other	22,320	29,982
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 17,737,327	\$ 15,890,136
FUND BALANCES		
Nonspendable:		
Inventories	549,946	444,925
Restricted:		
Child Nutrition Services	2,115,257	2,096,940
Assigned:		
Other Purposes	2,100,000	2,100,000
Unassigned:		
	5,555,008	4,777,475
TOTAL FUND BALANCES	\$ 10,320,211	\$ 9,419,340
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 29,939,301	\$ 28,547,459

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, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

	2014-15			2013-14
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES:				
Source:				
Local Taxes	33,794,082	34,203,269	409,188	31,500,737
Local Non-Tax	6,923,066	4,409,333	(2,513,732)	4,606,953
State, General Purpose	90,896,758	90,596,566	(300,191)	84,900,272
State, Special Purpose	22,611,696	23,925,077	1,313,381	20,419,005
Federal, General Purpose	8,383	26,024	17,641	8,481
Federal, Special Purpose	15,254,338	14,951,071	(303,266)	13,232,294
Revenues from other sources	785,723	547,172	(249,471)	644,866
TOTAL REVENUES	170,274,046	168,658,511	(1,626,450)	155,312,607
EXPENDITURES				
Current:				
Regular Instruction	95,171,810	94,453,405	718,405	87,948,964
Special Instruction	20,765,078	20,973,072	(207,994)	18,808,349
Vocational Instruction	6,793,581	6,289,673	503,908	6,116,658
Compensatory Education	12,369,566	12,400,497	(30,931)	11,408,052
Other Educational Programs	4,292,046	1,358,429	2,933,617	1,124,538
Community Services	1,298,738	891,328	407,410	1,004,058
Support Services	20,060,205	18,692,312	1,367,893	17,456,816
Child Nutrition Services	6,381,461	5,959,847	421,614	5,460,528
Pupil Transportation Services	6,882,864	6,311,305	571,559	6,406,144
Capital Outlay - Equipment	329,144	431,521	(102,377)	248,087
TOTAL EXPENDITURES	174,344,493	167,761,387	6,583,106	155,982,193
Excess of Revenues Over (Under) Expenditures	(4,070,447)	897,124	4,967,571	(669,586)
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	3,747	3,747	2,499
Total Other Financing Sources (Uses)	-	3,747	3,747	2,499
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses	(4,070,447)	900,871	4,971,318	(667,087)
FUND BALANCE-September 1	10,033,331	9,419,340	(613,991)	10,086,427
FUND BALANCE -August 31	\$ 5,962,884	\$ 10,320,211	\$ 4,357,327	\$ 9,419,340

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

DESCRIPTION	2014-15			2013-14
	BUDGET	ACTUAL	VARIANCE	ACTUAL
LOCAL TAXES				
Local Property Tax	\$ 33,792,825	\$ 34,202,123	\$ 409,298	\$ 31,499,389
Other Taxes	1,257	1,147	(110)	1,348
TOTAL LOCAL TAXES	33,794,082	34,203,269	409,188	31,500,737
LOCAL NON-TAX				
Tuition & Fees, Unassigned	161,288	124,971	(36,317)	208,305
Summer School Tuition	-	6,023	6,023	4,080
Sales of Goods and Supplies	180,000	253,223	73,223	249,363
Sales of Goods and Supplies, Vocational	636,794	372,168	(264,626)	377,390
Other Community Services	327,550	234,390	(93,160)	216,248
Food Services Sales	1,165,330	1,234,977	69,647	1,213,734
Investment Earnings	112,500	84,114	(28,386)	114,641
Gifts & Donations	3,495,404	1,549,218	(1,946,186)	1,341,264
Fines & Damages	22,000	18,295	(3,705)	20,472
Rental of Property	326,200	194,250	(131,950)	267,495
Insurance Recoveries	20,000	39,433	19,433	-
Local Non-Tax Unassigned	238,000	270,915	32,915	196,631
E-Rate	238,000	27,357	(210,643)	397,330
TOTAL LOCAL NONTAX	6,923,066	4,409,333	(2,513,732)	4,606,953
STATE FUNDS, GENERAL PURPOSE				
Apportionment	83,578,374	83,095,664	(482,710)	78,554,909
Apportionment-Special Education	2,521,301	2,532,942	11,641	2,310,846
Local Effort Assistance	4,797,083	4,967,961	170,878	4,034,517
TOTAL STATE, GENERAL PURPOSE	90,896,758	90,596,566	(300,191)	84,900,272
STATE FUNDS, SPECIAL PURPOSE				
Special Purpose, Unassigned	1,105	3,213	2,108	20,485
Special Education	9,252,159	10,013,952	761,793	9,154,112
Learning Assistance	3,758,949	3,818,568	59,619	3,452,681
Special Pilot Programs	715,446	654,059	(61,387)	642,329
Transitional Bilingual	2,221,004	2,419,042	198,038	2,077,866
Special Education Infants and Toddlers	549,294	619,901	70,607	548,670
Highly Capable	145,228	144,567	(661)	142,378
School Food Services	158,897	167,362	8,465	179,039
Transportation - Operations	5,801,614	5,924,313	122,699	3,995,069
Other State Agencies, Unassigned	8,000	160,100	152,100	206,376
TOTAL STATE, SPECIAL PURPOSE	22,611,696	23,925,077	1,313,381	20,419,005

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

DESCRIPTION	2014-15			2013-14
	BUDGET	ACTUAL	VARIANCE	ACTUAL
FEDERAL FUNDS, GENERAL PURPOSE				
Impact Aid	\$ -	\$ 18,097	\$ 18,097	
Federal Forests	8,383	7,927	(456)	8,481
TOTAL FEDERAL, GENERAL PURPOSE	8,383	26,024	17,641	8,481
FEDERAL, SPECIAL PURPOSE				
Federal Stimulus	1,000,000	1,281,944	281,944	717,959
Special Purpose, Unassigned OSPI	200,000	231,215	31,215	179,605
Special Education, Medicaid Reimbursement	136,000	315,700	179,700	127,910
Special Education	2,793,949	2,580,472	(213,477)	2,505,775
Vocational Education	107,000	86,067	(20,933)	102,116
Disadvantaged, Title I	3,501,276	3,141,763	(359,513)	2,772,830
Title II	384,958	514,522	129,564	612,134
Special Purpose, Unassigned	-	-	-	113,687
Limited English Proficiency	338,655	337,180	(1,475)	281,575
Other Community Services	250,000	225,896	(24,104)	238,441
School Food Service	4,871,000	4,888,785	17,785	4,730,128
Other Title	120,000	106,663	(13,337)	8,164
Head Start	519,135	643,417	124,282	416,212
Indian Education	82,365	22,072	(60,293)	82,330
Medicaid Administrative Match	580,000	141,426	(438,574)	
USDA Commodities	370,000	433,950	63,950	343,426
TOTAL FEDERAL, SPECIAL PURPOSE	15,254,338	14,951,071	(303,266)	13,232,294
REVENUES FROM OTHER DISTRICTS				
Program Participation, Unassigned	-	10,919	10,919	
Transportation	-	6,206	6,206	48,561
Non-High Participation	612,292	526,310	(85,982)	596,304
TOTAL REVENUES FROM OTHER DISTRICTS	612,292	543,436	(79,776)	644,866
REVENUES FROM OTHER AGENCIES				
Agency & Association Grants	70,731		(70,731)	-
Governmental Entities	102,700	3,736	(98,964)	-
TOTAL REVENUES FROM OTHER AGENCIES	173,431	3,736	(169,695)	-
REVENUES FROM OTHER FINANCING SOURCES				
Sale of Equipment	-	3,747	3,747	2,499
TOTAL REVENUES FROM OTHER FINANCING SOURCES	-	3,747	3,747	2,499
TOTAL REVENUES	\$ 170,274,046	\$ 168,662,258	\$ (1,622,703)	\$ 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, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

PROGRAM	2014-15			2013-14
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REGULAR INSTRUCTION				
Teaching	\$ 70,196,660	\$ 70,091,524	\$105,136	\$ 65,177,889
Extracurricular	4,229,585	4,004,311	225,274	3,714,949
Instructional Supervision	1,645,755	1,721,610	(75,855)	1,303,007
Learning Resources - Library Services	2,702,435	2,722,518	(20,083)	2,616,130
Principals	9,950,245	9,829,746	120,499	9,371,002
Guidance and Counseling	3,530,485	3,452,890	77,595	3,291,592
Pupil Management and Safety	1,240,638	1,091,510	149,128	1,066,540
Health Services - Psychologists, Nurses	1,676,007	1,539,296	136,711	1,407,855
Total Regular Instruction	95,171,810	94,453,405	718,405	87,948,964
SPECIAL INSTRUCTION				
Basic State Program	18,051,452	18,260,692	(209,240)	15,346,877
Supplemental Federal Program	2,713,626	2,712,380	1,246	3,461,472
Other	-	-	-	-
Total Special Instruction	20,765,078	20,973,072	(207,994)	18,808,349
VOCATIONAL INSTRUCTION				
Basic State Program	6,689,657	6,206,080	483,577	6,017,333
Supplemental Federal Program	103,924	83,593	20,331	99,325
Total Vocational Instruction	6,793,581	6,289,673	503,908	6,116,658
COMPENSATORY EDUCATION				
Federal Remediation-Title I	3,400,618	3,043,515	357,103	2,700,100
Federal School Improvement ESEA	490,450	474,599	15,851	782,380
Federal Stimulus--State Fiscal Stabilization	-	-	-	202
Federal Stimulus--Other	1,000,000	1,197,824	(197,824)	666,210
Federal Other	212,753	225,873	(13,120)	195,285
State Remediation	3,656,759	3,476,926	179,833	3,348,257
Special and Pilot Programs	715,446	973,587	(258,141)	949,825
Federal Head Start	519,135	601,678	(82,543)	505,162
Federal Limited English Proficiency	328,918	330,569	(1,651)	276,057
State Transitional Bilingual	1,965,490	2,053,854	(88,364)	1,887,578
Federal Indian Education	79,997	22,072	57,925	96,996
Total Compensatory Education	\$ 12,369,566	\$ 12,400,497	\$ (30,931)	\$ 11,408,052

AUBURN SCHOOL DISTRICT NO. 408
GENERAL FUND
SCHEDULE OF EXPENDITURES BY PROGRAM
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

PROGRAM	2014-15			2013-14
	BUDGET	ACTUAL	VARIANCE	ACTUAL
OTHER EDUCATIONAL PROGRAMS				
Summer School	\$ -	\$ 14,884	\$ (14,884)	\$ 17,178
Highly Capable	128,520	139,441	(10,921)	129,004
Other Instructional Programs	4,163,526	1,204,104	2,959,422	978,356
Total Other Educational Programs	4,292,046	1,358,429	2,933,617	1,124,538
COMMUNITY SERVICES	1,298,738	891,328	407,410	1,004,058
SUPPORT SERVICES				
Board of Directors	246,281	214,335	31,946	202,068
Superintendent's Office	476,479	478,737	(2,258)	433,506
Business Services	1,941,689	1,906,781	34,908	1,745,885
Human Resources	1,626,744	1,596,873	29,871	1,228,543
Maintenance	3,742,105	3,834,207	(92,102)	3,780,586
Custodial	4,970,624	4,904,899	65,725	4,588,934
Utilities	4,187,911	3,350,296	837,615	3,404,577
Insurance	823,500	766,797	56,703	753,176
Building Security	299,708	509,354	(209,646)	299,765
Printing	(1,231)	(55,566)	54,335	(21,665)
Information Technology	1,192,308	723,641	468,667	638,361
Warehouse	543,189	444,302	98,887	379,853
Motor Pool	10,898	17,657	(6,759)	23,226
Total Support Services	20,060,205	18,692,312	1,367,893	17,456,816
CHILD NUTRITION SERVICES	6,381,461	5,959,847	421,614	5,460,528
PUPIL TRANSPORTATION SERVICES	6,882,864	6,311,305	571,559	6,406,144
CAPITAL OUTLAY-EQUIPMENT	329,144	431,521	(102,377)	248,087
Total Expenditures	\$ 174,344,493	\$ 167,761,387	\$ 6,583,106	\$ 155,982,193

**AUBURN SCHOOL DISTRICT NO. 408
SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2015 AND 2014**

	2014-15	2013-14
ASSETS		
Cash and Cash Equivalents	\$ 1,652,290	\$ 1,720,683
Accounts Receivable	589	5,337
Accrued Interest Receivable	732	1,107
Inventories at Cost	-	671
TOTAL ASSETS	\$ 1,653,611	\$ 1,727,799
LIABILITIES		
Accounts Payable	50,609	49,110
Due to Other Governments	2,001	2,994
Interfund Payable	(583)	6,866
Unearned Revenue - Other	144,926	239,610
TOTAL LIABILITIES	\$ 196,953	\$ 298,581
FUND BALANCES		
Nonspendable-Inventories	-	671
Restricted-Student Activities	1,456,658	1,428,547
TOTAL FUND BALANCES	\$ 1,456,658	\$ 1,429,218
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,653,611	\$ 1,727,799

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, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

	2014-15			2013-14
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
General	\$ 1,753,002	\$ 651,777	\$ (1,101,225)	\$ 695,861
Athletics	243,220	217,879	(25,341)	188,821
Classes	254,953	120,022	(134,931)	119,379
Clubs	1,757,792	1,172,331	(585,461)	1,253,600
Other	102,460	54,751	(47,709)	65,283
Total Revenues	4,111,427	2,216,760	(1,894,667)	2,322,944
EXPENDITURES				
Current:				
General	1,259,922	502,407	757,515	532,401
Athletics	346,921	281,345	65,576	269,679
Classes	290,273	103,029	187,244	119,196
Clubs	2,021,010	1,255,299	765,711	1,274,264
Other	107,176	47,240	59,936	67,924
Total Expenditures	4,025,302	2,189,320	1,835,982	2,263,463
Excess of Revenues Over (Under) Expenditures	86,125	27,440	(58,685)	59,481
FUND BALANCE - September 1	1,090,784	1,429,218	338,434	1,369,737
FUND BALANCE - August 31	\$ 1,176,909	\$ 1,456,658	\$ 279,749	\$ 1,429,218

**AUBURN SCHOOL DISTRICT NO. 408
DEBT SERVICE FUND (BOND FUND)
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2015 AND 2014**

	2014-15	2013-14
ASSETS		
Cash and Cash Equivalents	\$ 6,204,107	\$ 6,438,172
Property Tax Receivable	\$ 6,576,774	\$ 8,686,638
Accrued Interest Receivable	\$ 3,104	\$ 6,190
TOTAL ASSETS	\$ 12,783,985	\$ 15,131,000
LIABILITIES		
Accounts Payable	13,710	20,523
TOTAL LIABILITIES	\$ 13,710	\$ 20,523
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-Property Taxes	6,576,774	8,686,638
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 6,576,774	\$ 8,686,638
FUND BALANCE		
Restricted for Debt Service	6,193,501	6,423,838
TOTAL FUND BALANCE	\$ 6,193,501	\$ 6,423,838
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 12,783,985	\$ 15,131,000

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, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

	2014-15			2013-14
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Local Taxes	\$ 15,217,563	\$ 15,335,556	\$ 117,993	\$ 17,199,718
Local Non-Tax	48,100	37,412	(10,688)	30,772
Total Revenues	15,265,663	15,372,968	107,305	17,230,490
EXPENDITURES				
DEBT SERVICE				
Principal Retirement	8,795,000	8,795,000	-	12,780,000
Interest on Bonds	6,808,036	6,808,036	(0)	6,002,836
Bond Transfer Fees	100,000	269	99,731	9,943
Underwriter's Fees	-	-	-	12,118
Total Expenditures	15,703,036	15,603,305	99,731	18,804,898
OTHER FINANCING SOURCES (USES)				
Issuance of Refunding Bonds	-	-	-	3,320,000
Issuance Premium	-	-	-	272,638
Payment to refunded Bonds Escrow Agent	-	-	-	(3,564,451)
Total Other Financing Sources (Uses)	-	-	-	28,187
Excess of Revenues/Other Financing Sources Over (Under) Expenditures And Other Financing Uses	(437,373)	(230,338)	207,035	(1,546,220)
FUND BALANCE - September 1	6,430,043	6,423,839	(6,204)	7,970,059
	-	-	-	-
FUND BALANCE -August 31	\$ 5,992,670	\$ 6,193,501	\$ 200,831	\$ 6,423,839

AUBURN SCHOOL DISTRICT NO. 408
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2015 AND 2014

	2014-15	2013-14
ASSETS		
Cash and Cash Equivalent	\$ 46,922,161	\$ 74,133,964
Property Tax Receivable	3,929,395	2,240,949
Accrued Interest Receivable	25,029	42,375
Interfund Receivable	-	-
Due From Other Governments	3,114,759	388,428
TOTAL ASSETS	\$ 53,991,344	\$ 76,805,717
LIABILITIES		
Accounts Payable	6,697,263	5,392,921
Due to Other Governments	44,376	65,423
Interfund Payable	-	-
Unearned Revenues-Other	-	-
Deposits	3,554	5,501
TOTAL LIABILITIES	\$ 6,745,193	\$ 5,463,845
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-Property Taxes	3,929,395	2,240,949
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 3,929,395	\$ 2,240,949
FUND BALANCES		
Restricted:		
Bond Project-Auburn High Modernization	15,734,290	4,215,385
Impact Fee Projects	-	817,127
State Proceeds	12,271,179	-
Committed:		
Capital Improvement Levy Projects	-	5,127,213
Technology Levy Projects	-	300,471
Assigned:		
Other Capital Projects	15,311,286	58,640,727
TOTAL FUND BALANCES	\$ 43,316,755	\$ 69,100,923
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 53,991,344	\$ 76,805,717

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, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

	2014-15			2013-14
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Local Taxes	\$ 6,261,416	\$ 6,338,463	\$ 77,047	\$ 4,234,651
Local Non-Tax	1,857,503	2,250,938	393,435	3,174,226
State, Special Purpose	-	12,271,179	12,271,179	750,000
TOTAL REVENUES	8,118,919	20,860,580	12,741,661	8,158,877
EXPENDITURES				
Capital Outlay				
Sites	3,013,535	32,121	2,981,414	(2,832)
Building	40,774,497	42,926,617	(2,152,120)	53,367,754
Equipment	6,000,000	2,776,740	3,223,260	1,480,788
Energy	-	909,269	(909,269)	1,838,796
Bond Issuance	-	-	-	207,358
TOTAL EXPENDITURES	49,788,032	46,644,748	3,143,284	56,891,865
Excess Of Revenues Over (Under) Expenditures	(41,669,113)	(25,784,167)	15,884,946	(48,732,988)
OTHER FINANCING SOURCES (USES)				
Proceeds of Long-Term Debt	-	-	-	40,235,000
Issuance Premium	-	-	-	4,972,358
Total Other Financing Sources (Uses)	-	-	-	45,207,358
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses	(41,669,113)	(25,784,167)	15,884,946	(3,525,630)
FUND BALANCE - September 1	74,402,644	69,100,923	95,652	72,626,553
FUND BALANCE - August 31	\$ 32,733,531	\$ 43,316,756	\$ 15,980,598	\$ 69,100,923

**AUBURN SCHOOL DISTRICT NO. 408
TRANSPORTATION VEHICLE FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2015 AND 2014**

	2014-15	2013-14
ASSETS		
Cash and Cash Equivalents	\$ 2,072,216	\$ 2,153,257
Taxes Receivable	(40)	14
Due From Other Governments		
Interfund Receivable	-	-
Interest Receivable	704	933
TOTAL ASSETS	\$ 2,072,879	\$ 2,154,204
LIABILITIES		
Due to Other Governments	1,265	1,864
TOTAL LIABILITIES	\$ 1,265	\$ 1,864
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-Property Taxes	(40)	14
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ (40)	\$ 14
FUND BALANCE		
Restricted for Acquisition of School Buses	2,071,654	2,152,325
TOTAL FUND BALANCE	\$ 2,071,654	\$ 2,152,325
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 2,072,879	\$ 2,154,204

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, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)

	2014-15			2013-14
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Local Taxes	\$ -	\$ 17	\$ 17	\$ 64
Local Non-Tax	10,768	11,240	472	12,701
State, Special Purpose	723,485	698,472	(25,013)	723,484
Other Financing Sources	-	13,573	13,573	-
TOTAL REVENUES	734,253	723,301	(10,952)	736,249
EXPENDITURES				
Capital Outlay:				
Equipment	2,077,290	803,972	1,273,318	-
TOTAL EXPENDITURES	2,077,290	803,972	1,273,318	-
Excess of Revenues (Under) Expenditures	(1,343,037)	(80,671)	1,262,366	736,249
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	(1,343,037)	(80,671)	1,262,366	736,249
FUND BALANCE - September 1	2,148,615	2,152,325	3,710	1,416,076
FUND BALANCE - August 31	\$ 805,578	\$ 2,071,654	\$ 1,266,076	\$ 2,152,325

AUBURN SCHOOL DISTRICT NO. 408
PRIVATE PURPOSE TRUST
COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION
AUGUST 31, 2015 AND 2014

	2014-15	2013-14
ASSETS		
Cash and Cash Equivalents	\$ 541,460	\$ 563,365
Accounts Receivable	-	-
Interest Receivable	308	506
TOTAL ASSETS	\$ 541,768	\$ 563,871
LIABILITIES		
Accounts Payable	3,165	1,428
Total Liabilities	\$ 3,165	\$ 1,428
NET POSITION	\$ 538,603	\$ 562,443

**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, 2014)**

	2014-15	2013-14
ADDITIONS:		
Donations	\$ 143,486	\$ 141,180
Investment Earnings:	-	-
TOTAL ADDITIONS	143,486	141,180
DEDUCTIONS:		
Scholarships and Student Aid	167,326	157,055
Loss on Investments	-	5,660
TOTAL DEDUCTIONS	167,326	162,715
CHANGES IN NET POSITION	(23,840)	(21,535)
NET POSITION - September 1	562,443	583,978
NET POSITION - August 31	\$ 538,603	\$ 562,443

AUBURN SCHOOL DISTRICT NO. 408
EMPLOYEE BENEFIT TRUST FUND
COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION
AUGUST 31, 2015 AND 2014

	2014-15	2013-14
ASSETS		
Cash and Cash Equivalents	\$ 151,752	\$ 104,498
Accounts Receivable	-	-
Interest Receivable	56	99
Investments	-	864
TOTAL ASSETS	\$ 151,808	\$ 104,598
LIABILITIES		
Accounts Payable	19,353	-
Due to Other Funds	-	418
Total Liabilities	\$ 19,353	\$ 418
NET POSITION		
Held In Trust For Employee Benefits	132,455	104,180
Total Net Position	\$ 132,455	\$ 104,180

**AUBURN SCHOOL DISTRICT NO. 408
EMPLOYEE BENEFIT TRUST FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2014)**

	2014-15	2013-14
ADDITIONS		
Contributions from Plan Members	\$ 290,214	\$ 268,864
Investment Earnings	606	7,407
TOTAL ADDITIONS	290,820	276,271
DEDUCTIONS		
Benefit Claims	261,845	215,409
Administrative Expenses	700	700
TOTAL DEDUCTIONS	262,545	216,109
CHANGES IN NET POSITION	28,275	60,162
NET POSITION - September 1	104,180	44,018
NET POSITION - August 31	\$ 132,455	\$ 104,180

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF CHANGES IN LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

	BALANCE 9/1/2014	INCREASES	DECREASES	BALANCE 8/31/2015
Governmental Bonds Payable				
2004 UTGO Refunding Bonds	9,825,000	-	2,015,000	7,810,000
2004 UTGO Bonds	725,000	-	725,000	-
2010 UTGO Refunding Bonds	35,450,000	-	-	35,450,000
2012 UTGO Refunding Bonds	9,055,000	-	100,000	8,955,000
2013 UTGO and Refunding Bonds	72,470,000	-	1,705,000	70,765,000
2014 UTGO and Refunding Bonds	43,555,000	-	4,250,000	39,305,000
Total Bonds Payable	171,080,000	-	8,795,000	162,285,000
Unamortized Bond Premium/Discount	17,423,590	-	1,335,336	16,088,254
Net Bonds Payable	188,503,590	-	10,130,336	178,373,254
Pension Liability				
Net Pension Liability - PERS Plan 1	11,413,923	2,639,032	1,758,702	12,294,253
Net Pension Liability - SERS Plans 2/3	3,360,900	6,423,328	3,581,839	6,202,389
Net Pension Liability - TRS Plan 1	48,326,302	8,365,643	7,165,667	49,526,278
Net Pension Liability - TRS Plans 2/3	5,325,937	17,433,216	9,532,585	13,226,568
Total Pension Liability	68,427,062	34,861,219	22,038,793	81,249,488
Compensated Absences	2,759,909	2,936,300	2,759,909	2,936,300
Net OPEB Obligation	13,072,748	2,202,648	-	15,275,396
Total Long-Term Debt	\$ 272,763,309	\$ 40,000,167	\$ 34,929,038	\$ 277,834,438

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, 2015

DUE DATE	Original Issue Amount \$27,785,000 2004 Refunding Bond Dated 3/1/2004		Original Issue Amount \$18,000,000 2004 Bond Dated 8/1/2004		Original Issue Amount \$36,025,000 2010 Refunding Bond Dated 9/27/10		Original Issue Amount \$9,290,000 2012 Refunding Bond 5/7/2012		Original Issue Amount \$78,855,000 2013 UTGO and Refunding 1/8/2013		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	Principal	Interest		
12/1/15	3,920,000	195,250	-	-	-	764,575	100,000	131,356	570,000	1,356,637.50	1,945,000	906,650.00	9,889,469	13,243,937
6/1/16	-	97,250	-	-	-	764,575	-	130,356	-	1,348,087.50	-	877,475.00	3,217,744	-
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	7,810,000	389,750	-	-	35,450,000	7,421,625	8,955,000	1,910,331	70,765,000	26,922,037.50	39,305,000	19,313,850	218,242,594	221,597,062

AUBURN SCHOOL DISTRICT #408
SCHEDULE OF CAPITAL ASSETS BY LOCATION
AUGUST 31, 2015

PROPERTY	LOCATION	LAND	BUILDINGS & IMPROVEMENTS	CONSTRUCTION IN PROGRESS	EQUIPMENT	TOTALS
SENIOR HIGH SCHOOLS						
Auburn	800 4th Street N.E.	\$ 592,951	\$ 126,683,596		\$ 1,126,245	\$ 128,402,792
Auburn Riverside	501 Oravetz Rd	4,476,766	31,642,226		745,391	36,864,383
Auburn Mountainview	28900 124th Ave SE	4,129,915	48,571,364		403,781	53,105,059
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		88,507	16,465,967
Olympic	1825 "K" Street SE	92,532	8,966,021		70,239	9,128,792
Rainier	30620 116th Ave. SE	107,681	12,762,993		82,573	12,953,247
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		115,539	3,662,363
Dick Scobee	1031 14th Street NE	9,731	4,594,483		79,700	4,683,915
Evergreen Heights	5602 So 316th	22,223	2,329,865		150,050	2,502,138
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		149,007	9,926,047
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		129,848	7,041,903
ADMIN. & SERV. BLDGS.						
James P. Fugate	915 4th Street NE	88,690	2,452,281		1,319,091	3,860,062
Annex	502 4th Street NE	183,646	653,035		13,492	850,173
Support Services Center	1302 4th Street SW	1,046,802	4,466,330		1,385,215	6,898,347
Transportation	615 15th Street SW	18	4,661,051		12,156,930	16,817,999
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		2,712,386			2,712,386
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				30,738,537		30,738,537
TOTALS		\$ 40,494,475	\$ 374,869,152	\$ 30,738,537	\$ 19,615,247	\$ 465,717,412

AUBURN SCHOOL DISTRICT NO. 408
STATEMENT OF CHANGES IN CAPITAL ASSETS
AUGUST 31, 2015

CAPITAL ASSET TYPES	CAPITAL ASSETS 9/1/2014	ADDITIONS	DELETIONS	CAPITAL ASSETS 8/31/2015
Land and Improvements	\$ 22,990,609	\$ 17,503,866	\$ -	\$ 40,494,475
Building and Improvements	272,479,905	102,389,247		374,869,152
Equipment	18,802,901	1,283,613	(471,267)	19,615,247
Construction In Progress	108,462,150	(77,723,614)		30,738,537
Totals at Historical Cost	422,735,565	43,453,112	(471,267)	465,717,411
Less: Accumulated Depreciation				
Building and Improvements	(104,628,587)	(5,461,568)		(110,090,154)
Equipment	(13,969,244)	(1,012,817)	471,267	(14,510,794)
Total Accumulated Depreciation	(118,597,831)	(6,474,384)	471,267	(124,600,948)
Capital Assets, Net of Accumulated Depreciation	\$ 304,137,735	\$ 36,978,728	\$ -	\$ 341,116,463

**AUBURN SCHOOL DISTRICT
SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
AS OF AUGUST 31, 2015**

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				72,792	72,792
Teaching				1,067,090	1,067,090
Extracurricular				3,067,352	3,067,352
School Buildings	39,175,319	362,636,455		340,962	402,152,736
Total	39,175,319	362,636,455		4,548,195	406,359,970
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				11,735,916	11,735,916
Total	18	4,661,051		11,865,278	16,526,347
MAINTENANCE & OPERATIONS					
Supervision	1,046,802	4,466,330		58,805	5,571,937
Ground Care				366,377	366,377
Operations of Plant				432,901	432,901
Maintenance				607,816	607,816
Total	1,046,802	4,466,330		1,465,898	6,979,030
OTHER SERVICES					
Information Technologies				1,032,056	1,032,056
Printing & Graphics				77,644	77,644
Warehousing				185,584	185,584
Total				1,295,284	1,295,284
Construction-In-Progress			30,738,537		30,738,537
TOTALS	\$ 40,494,475	\$ 374,869,152	\$ 30,738,537	\$ 19,615,247	\$ 465,717,411

AUBURN SCHOOL DISTRICT NO. 408
SUMMARY AMORTIZATION SCHEDULE FOR ALL OUTSTANDING BONDS
BOND PREMIUM, DISCOUNT, REFUNDING ADJUSTMENT
FOR THE YEAR ENDED AUGUST 31, 2015

Date	Payment	Interest Expense	Premium/ Discount Amortized	Unamortized Premium/ Discount	Principal	Refunding Adjustment Amortized	Unamortized Refunding Adjustment	Bond Carrying Value
03/02/04	\$ -	\$ -	\$ -	\$ 1,464,510	\$ -	\$ -	\$ 1,656,581	\$ 27,592,929
06/01/04	278,235	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	2,966,189	791,189	271,143	5,401,872	2,175,000	154,681	3,402,966	67,354,838
06/01/11	3,087,870	1,257,870	271,143	5,130,729	1,830,000	154,681	3,248,285	65,099,014
12/01/11	3,058,133	1,228,133	271,143	4,859,586	1,830,000	154,681	3,093,604	62,843,190
06/01/12	2,995,683	1,200,683	271,143	5,392,767	1,795,000	154,681	4,047,439	73,175,206
12/01/12	3,722,300	1,437,300	324,274	13,948,544	2,285,000	207,468	5,741,860	159,995,404
06/01/13	2,434,214	2,434,214	546,275	13,402,269	-	255,015	5,486,845	159,194,114
12/01/13	13,617,976	2,852,976	546,275	12,855,994	10,765,000	255,015	5,231,830	147,627,824
06/01/14	5,164,860	3,149,860	677,400	17,423,590	2,015,000	254,509	4,957,132	193,460,722
12/01/14	12,248,568	3,453,568	677,400	16,746,190	8,795,000	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)	-	-
	<u>\$ 280,816,212</u>	<u>\$ 83,956,212</u>	<u>\$ 21,334,637</u>		<u>\$ 196,860,000</u>	<u>\$ 8,204,444</u>		

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM AND REFUNDING ADJUSTMENT
2004 BONDS
FOR THE YEAR ENDED AUGUST 31, 2015

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
2004 BONDS
FOR THE YEAR ENDED AUGUST 31, 2015

Date	2012 Unlimited Tax General Obligation Bond Issue (Refunded 2004 Bonds)					
	Payment	Interest Expense	Premium Amortized	Unamortized Premium	Principal	Bond Carrying Value
06/01/12	\$ -	\$ -	\$ -	\$ 97,320	\$ -	\$ 1,447,320
12/01/12	470,362	115,362	19,464	77,856	355,000	1,072,856
06/01/13	108,263	108,263	19,464	58,392	-	1,053,392
12/01/13	378,262	108,262	19,464	38,928	270,000	763,928
06/01/14	14,500	14,500	19,464	19,464	-	744,464
12/01/14	739,500	14,500	19,464	-	725,000	-
	<u>\$ 1,710,887</u>	<u>\$ 360,887</u>	<u>\$ 97,320</u>		<u>\$ 1,350,000</u>	
			Prior Payments	311,424	4,550,000	
			Refunded May 2012	116,787	8,710,000	
			Refunded February 2014	194,640	3,390,000	
				<u>\$ 720,171</u>	<u>\$ 18,000,000</u>	

AUBURN SCHOOL DISTRICT NO. 408
AMORTIZATION SCHEDULE
BOND PREMIUM AND REFUNDING ADJUSTMENT
2010 BONDS
FOR THE YEAR ENDED AUGUST 31, 2015

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	214,815.50	-	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, 2015

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, 2015

Date	2013 Unlimited Tax General Obligation and Refunding Bonds							
	Payment	Interest Expense	Premium Amortized	Unamortized Premium	Principal	Refunding Adjustment Amortized	Unamortized Refunding Adjustment	Bond Carrying Value
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, 2015

Date	2014 Unlimited Tax General Obligation and Refunding Bonds							Bond Carrying Value
	Payment	Interest Expense	Premium Amortized	Unamortized Premium	Principal	Refunding Adjustment Amortized	Unamortized Refunding Adjustment	
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	1,311,248	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>		