



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Lake Washington School District No. 414

For the period September 1, 2024 through August 31, 2025

Published May 26, 2026

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**Office of the Washington State Auditor
Pat McCarthy**

May 26, 2026

Board of Directors
Lake Washington School District No. 414
Redmond, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Lake Washington School District No. 414's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the District's financial activities and condition.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Lake Washington School District No. 414 September 1, 2024 through August 31, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Lake Washington School District No. 414 are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the District.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the District’s compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
10.553	Child Nutrition Cluster - School Breakfast Program
10.555	Child Nutrition Cluster - National School Lunch Program

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The District qualified as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Lake Washington School District No. 414 September 1, 2024 through August 31, 2025

Board of Directors
Lake Washington School District No. 414
Redmond, Washington

We have audited, 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Lake Washington School District No. 414, as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 20, 2026.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

May 20, 2026

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Lake Washington School District No. 414 September 1, 2024 through August 31, 2025

Board of Directors
Lake Washington School District No. 414
Redmond, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of Lake Washington School District No. 414, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2025. The District's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

May 20, 2026

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Lake Washington School District No. 414 September 1, 2024 through August 31, 2025

Board of Directors
Lake Washington School District No. 414
Redmond, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Lake Washington School District No. 414, as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying 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 Lake Washington School District No. 414, as of August 31, 2025, and the respective changes in financial position thereof, and the budgetary comparison for the General fund and Associated Student Body fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matters of Emphasis

As discussed in Note 1 to the financial statements, in 2025, the District adopted new accounting guidance, Governmental Accounting Standards Board *Statement No. 101, Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed;

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the financial section of our report be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This supplementary information 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2026 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

May 20, 2026

FINANCIAL SECTION

Lake Washington School District No. 414 September 1, 2024 through August 31, 2025

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2025

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2025

Statement of Activities – 2025

Balance Sheet – Governmental Funds – 2025

Reconciliation of Balance Sheet/Statement of Net Position – 2025

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental
Funds – 2025

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund
Balance/Statement of Activities – 2025

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual
General Fund – 2025

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual
Associated Student Body Fund – 2025

Statement of Fiduciary Net Position – Fiduciary Funds – 2025

Statement of Changes in Fiduciary Net Position – Fiduciary Funds – 2025

Notes to Financial Statements – 2025

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the District Proportionate Share of Net Pension Liability – PERS 1, SERS
2/3, TRS 1, TRS 2/3, – 2025

Schedule of District Contributions – PERS 1, SERS 2/3, TRS 1, TRS 2/3, – 2025

Schedule of Changes in Total OPEB Liability and Related Ratios – 2025

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards – 2025

Notes to the Schedule of Expenditures of Federal Awards – 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Lake Washington School District No. 414's financial performance provides an overview of the district's financial activities for the fiscal year ended August 31, 2025.

FINANCIAL HIGHLIGHTS

- The district's Statement of Net Position reports net position of \$1.036 billion as of August 31, 2025.
- During the year, the district had revenues that were \$117.3 million higher than the \$631.6 million in expenses incurred for all governmental activities.
- The general fund reported a decrease in fund balance of \$4,098,537 for the fiscal year.
- The average student enrollment decreased by 60 full-time equivalent students (FTE's) over the previous year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the district as a whole and present a longer-term view of the district finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. The fund financial statement section also reports the district's operations in more detail than the government-wide statements by providing information about the district's most significant funds. The remaining statements provide financial information about activities for which the district acts solely as a trustee or agent for the benefit of those outside of the government.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

The government-wide financial statements are designed to provide a broad overview of the district finances. The Statement of Net Position and Statement of Activities report information about the district as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources 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 is received or paid.

These two statements report the district's net position and changes in them. The district's net position (the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources) may be viewed as one way to measure the district's financial health, or financial position. Over time increases or decreases in the district's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors must be considered in assessing the overall health of the district, such as changes in the district's property tax base and student enrollment.

In the Statement of Net Position and the Statement of Activities, the district's governmental activities are detailed. Most of the district's basic services are reported here, including the general fund, associated student body fund, debt service fund, capital projects fund, and the transportation vehicle fund.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Governmental Fund Financial Statements

The governmental fund financial statements detail the district's major funds. The focus is on the major funds, not the district as a whole. Some of the funds are required to be established by State law.

Most of the district's basic services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the district's general education and support operations and the basic services it provides. Governmental fund information may be useful in evaluating whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. The relationship between governmental activities reported in the Statement of Net Position and the Statement of Activities and the governmental funds is provided in both of the reconciliation statements and Note 16.

THE DISTRICT AS A WHOLE

The government-wide financial statement uses the full accrual basis of accounting. Comparisons are made with prior years. Included is an analysis on the net position (Table 1) and changes in net position (Table 2) of the district's governmental activities.

Net position serves as a useful indicator of a government's financial position. The Lake Washington School District's assets exceeded liabilities by \$1,036,385,411 at the end of the 2024-2025 fiscal year.

The largest portion, \$857 million of net position is the investment in capital assets (e.g., land, building, and equipment), less any related outstanding debt used to acquire those assets. The outstanding debt is paid by resources collected from property tax levies. Thirty-one percent of the net position of \$1.036 billion are resources committed for capital projects, debt payments, pension and contractual obligations. These assets are not available for general operations and maintenance of district education programs.

The remaining unrestricted net position of -\$141.7 million includes -\$2 million for pension plans, -\$79 million for postemployment benefits, and -61 million that is primarily attributable to a change in pension plans with asset balances at year end. As a result of the plan change, the deferred outflows of resources for plans with asset balances are reported as a committed net position. This reclassification reduced unrestricted net position but did not affect the District's total net position, cash balances, or ability to fund current operations.

Table 1
Net Position

	2024-25	2023-24
Current and Other Assets	\$369,096,736	\$368,122,717
Capital Assets	1,386,301,251	1,354,652,565
Pension Assets	13,733,622	812,036
Total Assets	\$1,769,131,609	\$1,723,587,318
Deferred Outflows of Resources	\$113,485,600	\$119,722,820
Total Assets and Deferred Outflows of Resources	<u>\$1,882,617,209</u>	<u>\$1,843,310,138</u>
Long-Term Debt Outstanding	\$707,814,568	\$744,649,017
Other Liabilities	40,884,107	43,137,033
Total Liabilities	\$748,698,675	\$787,786,050
Deferred Inflows of Resources	\$97,533,123	\$103,981,420
Total Liabilities and Deferred Inflows of Resources	<u>\$846,231,798</u>	<u>\$891,767,470</u>
Invest in Cap Assets, Net of Debt	\$857,484,561	\$815,621,104
Restricted	320,617,479	199,163,342
Unrestricted	(141,716,629)	(63,241,778)
Total Net Position	<u>\$1,036,385,411</u>	<u>\$951,542,668</u>

The 2024-2025 revenues of \$749 million were more than expenditures of \$632 million by \$117 million. The net position of the district's governmental activities increased by \$117 million, which is an 8.9% increase during the fiscal year.

Table 2
Changes in Net Position

	Primary Government Governmental Activities	
	2024-25	2023-24
Revenues		
Program Revenues		
Charges for Services	\$20,493,994	\$18,989,457
Operating Grants and Contributions	103,132,591	96,210,116
Capital Grants and Contributions	4,350,256	4,954,078
General Revenues and Special Items		
Property Taxes	259,721,733	246,863,879
Interest and Investment Earnings	9,742,179	7,512,056
Other Revenues	351,446,690	335,971,485
Total Revenues	\$748,887,443	\$710,501,071
Program Expenses		
Regular Instruction	\$354,754,047	\$344,877,403
Special Instruction	89,039,622	82,487,875
Vocational Instruction	25,808,281	22,561,555
Skills Center	5,654,133	5,704,849
Compensatory Education	17,975,193	17,659,579
Other Instructional Programs	2,873,508	2,874,899
Federal Stimulus COVID-19	1,013	45,651
Community Services	3,763,598	3,639,086
Support Services	112,977,212	110,420,329
Extracurricular Activities (ASB)	4,833,403	4,690,888
Debt Payment	13,912,842	14,362,253
Total Expenses	\$631,592,852	\$609,324,367
Increase (Decrease) in Net Position	\$117,294,591	\$101,176,704
Net Position, Beginning of Year as Previously Reported	\$951,542,668	\$850,365,964
Accounting Changes and Error Corrections	(\$32,451,848)	
Net Position, as Restated	\$919,090,820	
Net Position, End of Year	\$1,036,385,411	\$951,542,668

Governmental Activities

The cost of each of the district's largest programs – regular instruction, special instruction, vocational instruction, skills center, compensatory instruction, other instructional programs, and support services, as well as, each program's net cost (total cost less revenues generated by the activities) is illustrated in Table 3. The net cost shows the fiscal impact of each of these functions.

	Governmental Activities		Table 3	
	Total Cost of Services		Net Cost of Services	
	2024-25	2023-24	2024-25	2023-24
Regular Instruction	\$354,754,047	\$344,877,403	\$345,753,818	\$339,091,315
Special Instruction	89,039,622	82,487,875	31,333,106	27,252,941
Vocational Instruction	25,808,281	22,561,555	25,380,831	22,053,743
Skills Center	5,654,133	5,704,849	5,536,915	5,577,331
Compensatory Instruction	17,975,193	17,659,579	(175,593)	337,116
Other Instructional Programs	2,873,508	2,874,899	(88,489)	(81,538)
Support Services	112,619,542	110,420,329	81,153,410	81,272,876
All Others	22,868,526	22,737,878	14,722,013	13,666,932
Totals	<u>\$631,592,852</u>	<u>\$609,324,367</u>	<u>\$503,616,011</u>	<u>\$489,170,716</u>

THE DISTRICT FUNDS

As the district completed the fiscal year, its governmental funds (as presented in the balance sheets under the governmental financial statement section) reported a combined fund balance of \$209 million, which is lower than the prior year by \$2.8 million. The funds with the largest changes in their fund balances were a decrease in the Capital Projects fund balance of \$3.0 million, a decrease in the General fund balance of \$4.1 million and an increase in the Debt Service fund of \$4.6 million. The General Fund decrease in fund balance is equivalent to 0.007% of total fund expenditures.

Table 4 is a summary of the governmental fund's revenues and expenditures for 2024-2025 and the percentage increases/decreases in relation to the prior year.

Table 4
Government Fund Revenues and Expenditures

	2024-25 Amounts	Percent of Total	Increase (Decrease) Over 2023-24	Percent Increase (Decrease)
Revenues:				
Local Tax/Non-Tax	\$288,375,061	38.82%	\$13,581,244	4.94%
State Revenues	439,671,910	59.19%	23,590,356	5.67%
Federal Revenues	14,510,959	1.95%	1,353,192	10.28%
Other Revenues	226,736	0.03%	(1,801,350)	-88.82%
Total Revenues	\$742,784,666	100.00%	\$36,723,442	5.20%
Expenditures:				
Regular Instruction	\$347,018,354	46.38%	\$17,390,361	5.28%
Special Instruction	87,098,043	11.64%	8,257,527	10.47%
Vocational Instruction	25,245,511	3.37%	3,681,558	17.07%
Skills Center	5,530,840	0.74%	78,242	1.43%
Compensatory Instruction	17,583,229	2.35%	704,502	4.17%
Other Instructional Prog.	2,810,849	0.38%	63,069	2.30%
Federal Stimulus COVID-19	991	0.00%	(42,641)	-97.73%
Community Services	3,528,200	0.47%	121,518	3.57%
Support Services	110,163,783	14.72%	4,625,899	4.38%
Student Services	4,531,093	0.61%	139,781	3.18%
Capital Outlay	71,914,337	9.61%	2,000,914	2.86%
Debt Service	72,775,314	9.73%	4,169,836	6.08%
Total Expenditures	\$748,200,544	100.00%	\$41,190,566	5.83%

General Fund

Revenues and other financing sources for the general fund totaled \$576.9 million. This was \$30.6 million more than the prior year which is equivalent to 5.61%. General Fund expenditures were \$580.9 million for the fiscal year ended August 31, 2025. This was \$36.6 million or 6.73% percent more than the prior year. Ending fund balance was \$67.1 million, \$4.1 million less than August 2024. Increases in revenue were due to increases in state funding for staff COLA (Cost of Living Adjustment), health benefits and employee retirement contributions, increases to the prototypical staffing model for physical, social and emotional support staff (PSES), increases in transportation funding and special education funding. Local revenues increased due to investment earnings, and property tax collections. Expenditures increased due to increases in staff salaries and benefits as well as overhead expenditures specifically utilities and insurance. The ending fund balance decreased as was expected based on the 2024-25 planned budget.

Special Revenue Fund (ASB)

The ASB (Associated Student Body) fund supports extra-curricular student activities. The funds are generated through student fund raising events, student fees, and donations. The fund balance increased by \$251,414. A minor increase or decrease in fund balance is expected given the changes in activities and fundraising efforts that support these activities. Contingencies are built into the ASB budget to provide capacity for unanticipated events.

Changes in the ASB fund balance for the fiscal year ended August 31, 2025 is detailed in Table 5.

Table 5
ASB Recap

	8/31/2024				8/31/2025
	Fund				Fund
	Balance	Revenues	Transfers	Expenditures	Balance
General	\$1,379,085	\$1,834,022	(802,153)	\$1,005,872	\$1,405,082
Athletics	138,226	402,795	668,083	952,266	256,838
Classes	104,161	166,381	54,420	248,037	76,925
Clubs	406,191	2,335,939	79,454	2,288,891	532,693
Private	27,926	43,370	196	36,027	35,465
	\$2,055,589	\$4,782,507	\$0	\$4,531,093	\$2,307,003

Capital Projects Fund

The proceeds from , capital levies, state construction assistance program funds, investment earnings, and impact fees are accounted for in the Capital Projects Fund. Capital assets are capitalized and depreciated in the government-wide statement of net position and statement of activities. The district continued to complete major projects from the 2019 and 2022 construction levy authorizations. Capital dollars continue to be used for smaller capacity projects, facility improvements, major renovations, and technology upgrades. The ending fund balance was \$101.6 million. The Capital Projects Fund had a decrease in fund balance of \$3.0 million. Total revenues exceeded the budget due to additional interest, impact fees, and state funding assistance. Expenditures were less than planned due to budgeted project contingencies that were not utilized. Transfers out (to general fund and debt services) were slightly lower than budgeted. The ending fund balance is primarily committed to capital facilities and technology or restricted for future capacity projects.

Debt Service Fund

The Debt Service fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and related expenditures. Revenues are from property tax levies and investment earnings. The ending fund balance was \$35.1 million. Revenues were within budget and expenditures were less than planned due to budgeted contingencies.

Transportation Vehicle Fund

The Transportation Vehicle fund is used for the purchase, major repair, rebuilding, and related debt service incurred for pupil transportation equipment. Revenues are from state depreciation funds on district owned buses and investment earnings. The ending fund balance was \$3.0 million. During the 2024-25 fiscal year, Lake Washington School District Transportation Vehicle Fund spending exceeded the budget by

\$243,494.64. In addition, actual revenue for this fund also exceeded budgeted revenue. These differences occurred due to unique federal EPA grants/rebates the district received to purchase electric school buses. These grants were the first grant where the district was not the direct recipient of the funds, rather the bus vendor received the federal grant and rebate funds. The purchase for 2 (of 4) electric buses was budgeted based on the anticipated cost to be paid to the vendor net of the anticipated rebate. No revenue from the grants was included in the budget. GAAP accounting practices require the district to record the full value of the vehicles as expenses and offsetting revenue resulting in both higher actual revenue and expenditures. There was no impact to cashflow or fund balance.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General fund accounts for the day-to-day operation of the school district. Included are all the normal and recurring financial activities of the school district that are not accounted for in other funds. Revenues for the General Fund include state appropriations, special maintenance and operations levy funds, federal funds, and funds from other sources. Expenditures include salaries and benefit costs, and non-salary costs, such as supplies and materials, books and other instructional materials, utilities, purchased services and equipment. The district's budget is developed using the guidelines of the Washington State Office of Superintendent of Public Instruction. General Fund revenues and other financing sources were \$576.9 million, which was \$20.2 million less than budget. Revenues were less than the budget due to planned revenue contingency. General Fund expenditures were \$580.9 million, which was \$21.4 million less than budget. Expenditures were lower than budget due to contingencies not being utilized and underspending on textbooks, Skill Center, building budgets, and grants/donations, some of which carryover to the next year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The district has \$1,386.3 million invested in land, buildings, transportation equipment, and other equipment as of August 31, 2025. This is a \$31.6 million increase from the previous fiscal year.

Note 7 to the financial statements provides additional capital asset information.

Debt

Bonds outstanding totaled \$466 million as of August 31, 2025. This is a decrease of \$48,910,000 from the previous fiscal year. Note 11 to the financial statements provides additional debt information.

The district is rated by two bond rating agencies and the district's voted bonds were rated as of August 2025 as Aaa and AA+ by the respective rating agencies.

The Lake Washington School District belongs to the Washington Schools Risk Management Pool which provides property and liability insurance coverage. Other district obligations include unemployment, , other reserve benefits, industrial insurance, and compensated absences. More detailed information can be found in Note 14 of these financial statements.

ECONOMIC FACTORS

For calendar year 2024, the total property tax rate for special levies and bond debt was \$2.53 per thousand dollars of assessed value. The projected rate for 2025 is expected to be **\$2.42**. Total assessed value increased by 9.20% from \$98.4 in 2024 to \$107.5 billion in 2025. For 2026 the projected assessed valuation is \$116.1 billion, an increase of 8.0% over the prior year.

The Lake Washington School District encompasses an area of 76 square miles and is located on the northeast side of Lake Washington in the Puget Sound urban area of King County. The District is situated northeast of the city of Seattle and north of the city of Bellevue. Most of the cities of Redmond and Kirkland, approximately half of the city of Sammamish, and small portions of Bellevue, Woodinville, Bothell, and Kenmore are part of the community served by the District. The remainder of the District lies in unincorporated King County. The general area continues to grow and includes a portion of the “high-tech corridor” in the northern portion of King County and south Snohomish County.

The economy is diverse and growing. Redmond has a high concentration of high-technology employers including some of the largest companies in the country. Some of the major employers in both Redmond and Kirkland include Microsoft, Evergreen Health Care, AT&T Mobility, Genie Industries, Volt Technical Services LLC, Nintendo of America Inc., Honeywell International Inc., United Parcel Service, Clearwire Corporation, Medtronic Physio-Control, and Google.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the district’s finances. If you have questions about this report or need additional financial information, visit www.lwsd.org or contact Margo Allen, Director of Accounting at 16250 N.E. 74th Street, Redmond Washington.

Lake Washington School District No. 414
Statement of Net Position
08/31/25

	Primary Government Governmental Activities
Assets	
Cash & Cash Equivalents	\$236,665,921
Property Tax Receivable	122,770,101
Accounts Receivable, Net	1,032,186
Due From Other Gov't. Units	3,099,694
Inventories at Cost	747,952
Prepaid Items	4,780,882
Capital Assets, Non-depreciable:	
Land	96,297,488
Construction-in-Progress	49,819,521
Capital Assets, Net of Accum. Depn.:	
Buildings & Improvements	1,217,367,089
Equipment	18,699,270
Right of Use Asset	4,117,883
Pension Assets	13,733,622
Total Assets	\$1,769,131,609
Deferred Outflows of Resources	
Deferred Charge on Refunding	\$2,644,464
Deferred Pension Plan	90,884,088
Deferred OPEB	19,957,048
Total Deferred Outflows of Resources	\$113,485,600
Total Assets and Deferred Outflows of Resources	\$1,882,617,209
Liabilities	
Accounts Payable	\$20,705,765
Accrued Wages & Benefits Pay.	17,062,474
Due to Other Gov't Units	981,314
Unearned Revenue	2,134,554
Long-Term Liabilities:	
Due Within One Year	91,408,502
Due In More Than One Year	473,107,174
Pension Plan	32,127,344
Other Post Employment Benefits	111,171,548
Total Liabilities	\$748,698,675
Deferred Inflows of Resources	
Deferred Pension Plan	\$18,913,220
Deferred OPEB	\$78,619,903
Total Deferred Inflows of Resources	\$97,533,123
Total Liabilities and Deferred Inflows of Resources	\$846,231,798
Net Position	
Net Investment In Capital Assets	\$857,484,561
Restricted For:	
Capital Projects	168,792,390
Debt Service	60,523,546
Net Pension Assets	86,646,407
Other Purposes	4,655,136
Unrestricted	(141,716,629)
Total Net Position	\$1,036,385,411

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

Lake Washington School District No. 414
Statement of Activities
For the Fiscal Year Ended 8/31/2025

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Primary Governmental Activities
Primary Government: Governmental Activities:					
Regular Instruction	\$354,754,047	\$4,610,576	\$1,854,399	\$2,535,254	(\$345,753,818)
Special Instruction	89,039,622		57,070,193	636,323	(31,333,106)
Vocational Instruction	25,808,281	93,693	149,318	184,439	(25,380,831)
Skills Center	5,654,133	32,990	43,821	40,407	(5,536,915)
Compensatory Education	17,975,193	779,281	17,243,045	128,460	175,593
Other Instructional Programs	2,873,508	407,554	2,533,907	20,536	88,489
Federal Stimulus COVID-19	1,013		1,002		(11)
Community Services	3,763,598	3,094,000	269,004		(400,594)
Support Services	112,619,542	6,693,393	23,967,902	804,837	(81,153,410)
Extracurricular Activities(ASB)	4,833,403	4,782,507			(50,896)
Bond/Levy Issuance	357,670				(357,670)
Int. Paymt. On L/T Debt	13,912,842				(13,912,842)
Total Governmental Activities	\$631,592,852	\$20,493,994	\$103,132,591	\$4,350,256	(\$503,616,011)

General Revenues:	
Property Taxes, Levies for Maintenance and Operations	\$94,077,758
Property Taxes, Levies for Debt Service	55,720,257
Property Taxes, Levies for Capital Projects	109,923,718
Unallocated State Apportionment & Others	351,446,690
Interest and Investment Earnings	9,742,179
Total General Revenues & Special Items	<u>\$620,910,602</u>
Changes in Net Position	\$117,294,591
Beginning Net Position as Previously Reported	951,542,668
Accounting Changes and Error Corrections	<u>(32,451,848)</u>
Beginning Net Position as Restated	<u>\$919,090,820</u>
Ending Net Position	<u><u>\$1,036,385,411</u></u>

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

Lake Washington School District No. 414
Balance Sheet
Government Funds
08/31/25

	General Fund	Special Revenue Fund (ASB)	Debt Service Fund	Capital Project Fund	Transportation Vehicle Fund	Total Government Funds
Assets						
Cash and Cash Equivalents	82,856,539	1,880,271	33,981,766	114,895,890	3,051,455	\$236,665,921
Property Taxes Receivable	44,465,688		26,414,607	51,889,806		122,770,101
Accounts Receivable, Net	130,950	26,899		61,409		219,258
Accrued Interest	202,525	8,410	127,173	467,646	7,174	812,928
Due From Other Funds	178,679	1,273,278		1,590	71,881	1,525,428
Due From Other Gov't Units	2,135,426			571,808	392,460	3,099,694
Inventories at Cost	747,952					747,952
Prepaid Items	3,842,581	31,126		907,175		4,780,882
Total Assets	<u>\$134,560,340</u>	<u>\$3,219,984</u>	<u>\$60,523,546</u>	<u>\$168,795,324</u>	<u>\$3,522,970</u>	<u>\$370,622,164</u>
Liabilities						
Accounts Payable	\$4,397,005	\$86,049		\$17,367,711		\$21,850,765
Accrued Wages & Benefits Pay.	17,062,474					17,062,474
Due To Other Funds	834,966	170,322		8,357	511,783	1,525,428
Due To Other Gov't Units	979,486	484		1,344		981,314
Unearned Revenue	1,478,428	656,126				2,134,554
Total Liabilities	<u>\$24,752,359</u>	<u>\$912,981</u>	<u>\$0</u>	<u>\$17,377,412</u>	<u>\$511,783</u>	<u>\$43,554,535</u>
Deferred Inflows of Resources						
Unavailable Revenue	\$42,719,731		\$25,374,299	\$49,849,407		\$117,943,437
Total Deferred Inflows of Resources	<u>\$42,719,731</u>	<u>\$0</u>	<u>\$25,374,299</u>	<u>\$49,849,407</u>	<u>\$0</u>	<u>\$117,943,437</u>
Fund Balances						
Nonspendable Fund Balance	\$4,590,533	\$31,125		\$907,175		\$5,528,833
Restricted Fund Balance	8,679,763	2,275,878	\$35,149,247	39,031,594	\$3,011,187	88,147,669
Committed Fund Balance				58,493,486		58,493,486
Assigned Fund Balance				3,136,250		3,136,250
Unassigned Fund Balance	53,817,954					53,817,954
Total Fund Balances	<u>\$67,088,250</u>	<u>\$2,307,003</u>	<u>\$35,149,247</u>	<u>\$101,568,505</u>	<u>\$3,011,187</u>	<u>\$209,124,192</u>
Total Liab., Deferred Inflow of Resources and Fund Balance	<u>\$134,560,340</u>	<u>\$3,219,984</u>	<u>\$60,523,546</u>	<u>\$168,795,324</u>	<u>\$3,522,970</u>	<u>\$370,622,164</u>

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

Lake Washington School District No. 414
Reconciliation
Balance Sheet/Statement of Net Position
08/31/25

	Total Governmental Funds	Long-Term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
Assets				
Cash and Cash Equivalents	\$236,665,921			\$236,665,921
Property Taxes Receivable	122,770,101			122,770,101
Accounts Receivable, Net	1,032,186			1,032,186
Due From Other Funds	1,525,428		(\$1,525,428)	0
Due From Other Gov't Units	3,099,694			3,099,694
Inventories at Cost	747,952			747,952
Prepaid Items	4,780,882			4,780,882
Capital Assets, Net		\$1,382,183,368		1,382,183,368
Right of Use Asset, Net		\$4,117,883		4,117,883
Pension Assets		\$13,733,622		13,733,622
Total Assets	<u>\$370,622,164</u>	<u>\$1,400,034,873</u>	<u>(\$1,525,428)</u>	<u>\$1,769,131,609</u>
Deferred Outflows of Resources				
Deferred Charge on Refunding		\$2,644,464		\$2,644,464
Deferred Pension Plan		90,884,088		90,884,088
Deferred OPEB		19,957,048		19,957,048
Total Deferred Outflows of Resources		<u>\$113,485,600</u>		<u>\$113,485,600</u>
Total Assets and Deferred Outflows of Resources	<u>\$370,622,164</u>	<u>\$1,513,520,473</u>	<u>(1,525,428)</u>	<u>\$1,882,617,209</u>
Liabilities				
Accounts Payable	\$21,850,765	(\$1,145,000)		\$20,705,765
Accrued Wages & Benefits Pay.	17,062,474			17,062,474
Due To Other Funds	1,525,428		(\$1,525,428)	0
Due to Other Gov't Units	981,314			981,314
Unearned Revenue	2,134,554			2,134,554
Long-Term Liabilities		707,814,568		707,814,568
Total Liabilities	<u>\$43,554,535</u>	<u>\$706,669,568</u>	<u>(\$1,525,428)</u>	<u>\$748,698,675</u>
Deferred Inflows of Resources				
Unavailable Revenue	\$117,943,437	(\$117,943,437)		\$0
Deferred Pension Plans		18,913,220		18,913,220
Deferred OPEB		78,619,903		78,619,903
Total Deferred Inflows of Resources	<u>\$117,943,437</u>	<u>(\$20,410,314)</u>	<u>\$0</u>	<u>\$97,533,123</u>
Fund Balances/Net Position	<u>\$209,124,192</u>	<u>\$827,261,219</u>	<u>\$0</u>	<u>\$1,036,385,411</u>
Total Liabilities, Deferred Inflows Of Resources and Fund Balances/Net Position	<u>\$370,622,164</u>	<u>\$1,513,520,473</u>	<u>(\$1,525,428)</u>	<u>\$1,882,617,209</u>

The governmental funds column reflects a correction of \$3,607,882 to Unavailable Revenue.

This adjustment affects only the modified-accrual reporting of the governmental funds and is fully reversed in the reconciliation to government-wide statements. Accordingly, this correction increases governmental fund balance but does not impact the government-wide Statement of Net Position.

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

Lake Washington School District No. 414
Statement of Revenues, Expenditures, and Changes in Fund Balances
Government Funds
For the Fiscal Year Ended 8/31/2025

	General Fund	Special Revenue Fund (ASB)	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Total Governmental Funds
Revenues						
Local	\$113,593,026	\$4,782,507	\$54,325,920	\$115,527,841	\$145,767	\$288,375,061
State	437,174,678			839,784	1,657,448	439,671,910
Federal	12,966,151			354,808	1,190,000	14,510,959
Miscellaneous	226,736					226,736
Total Revenues	\$563,960,591	\$4,782,507	\$54,325,920	\$116,722,433	\$2,993,215	\$742,784,666
Expenditures						
Current						
Regular Instruction	\$347,018,354					\$347,018,354
Special Instruction	87,098,043					87,098,043
Vocational Instruction	25,245,511					25,245,511
Skills Center	5,530,840					5,530,840
Compensatory Instruction	17,583,229					17,583,229
Other Instructional Programs	2,810,849					2,810,849
Federal Stimulus COVID-19	991					991
Community Services	3,528,200					3,528,200
Support Services	85,825,287			\$24,338,496		110,163,783
Student Services		\$4,531,093				4,531,093
Capital Outlay						
Other	2,952,230			65,332,516	\$3,629,591	71,914,337
Debt Service						
Bond/Levy Issuance				357,670		357,670
Debt Service-Principal	3,326,316		\$48,910,000			52,236,316
Debt Service-Interest & Other	49,615		20,131,713			20,181,328
Total Expenditures	\$580,969,465	\$4,531,093	\$69,041,713	\$90,028,682	\$3,629,591	\$748,200,544
Revenues Over (Under) Exp.	(\$17,008,874)	\$251,414	(\$14,715,793)	\$26,693,751	(\$636,376)	(\$5,415,878)
Other Financing Sources (Uses)						
Issuance of Bonds						\$0
Issuance Premium						\$0
Sale of Land/Equipment						0
Compensated Loss of Capital Assets					\$71,880	71,880
Long-Term Financing	2,544,046					2,544,046
Transfers In	10,366,291		19,380,582			29,746,873
Transfers Out				(29,746,873)		(29,746,873)
Total Other Financing Sources(Uses)	\$12,910,337	\$0	\$19,380,582	(\$29,746,873)	\$71,880	\$2,615,926
Net Change in Fund Balance	(\$4,098,537)	\$251,414	\$4,664,789	(\$3,053,122)	(\$564,496)	(\$2,799,952)
Beginning Fund Balance as previously reported	69,921,067	2,055,589	29,274,205	103,489,718	3,575,683	208,316,262
Accounting Changes and Error Corrections	1,265,720		1,210,253	1,131,909		3,607,882
Beginning Fund Balance as Restated	71,186,787	2,055,589	30,484,458	104,621,627	3,575,683	211,924,144
Ending Fund Balance	\$67,088,250	\$2,307,003	\$35,149,247	\$101,568,505	\$3,011,187	\$209,124,192

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

Lake Washington School District No. 414
Reconciliation
Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities
For the Fiscal Year Ended 8/31/2025

	Total Governmental Funds	Long-Term Revenue, Expenditures	Capital Related Items	Long-Term Debt Transactions	Statement of Activities Totals
Revenues					
Local	\$288,375,061	6,030,897	\$71,880		\$294,477,838
State	439,671,910				439,671,910
Federal	14,510,959				14,510,959
Miscellaneous	226,736				226,736
Total Revenues	\$742,784,666	\$6,030,897	\$71,880	\$0	\$748,887,443
Expenditures					
Current:					
Regular Instruction	\$347,018,354	(\$15,417,029)	\$23,152,722		\$354,754,047
Special Education	87,098,043	(3,869,516)	5,811,095		89,039,622
Vocational Instruction	25,245,511	(1,121,586)	1,684,356		25,808,281
Skills Center	5,530,840	(245,719)	369,012		5,654,133
Compensatory Education	17,583,229	(781,172)	1,173,136		17,975,193
Other Instructional Programs	2,810,849	(124,878)	187,537		2,873,508
Federal Stimulus COVID-19	991	(44)	66		1,013
Community Services	3,528,200		235,398		3,763,598
Support Services	110,163,783	(4,894,260)	7,350,019		112,619,542
Student Activities	4,531,093		302,310		4,833,403
Capital Outlay	71,914,337		(71,914,337)		0
Bond/Levy Issuance	357,670				357,670
Debt Service-Principal	52,236,316			(\$52,236,316)	0
Debt Service-Interest & Other	20,181,328			(6,268,486)	13,912,842
Total Expenditures	\$748,200,544	(\$26,454,204)	(\$31,648,686)	(\$58,504,802)	\$631,592,852
Revenues Over (Under) Exp	(\$5,415,878)	\$32,485,101	\$31,720,566	\$58,504,802	\$117,294,591
Other Financing Sources (Uses)					
Issuance of Bonds					\$0
Issuance Premium					0
Sale of Land/Equipment					0
Compensated Loss of Fixed Assets	71,880		(71,880)		0
Long-Term Financing	2,544,046			(2,544,046)	0
Total Other Financing Sources(Uses)	\$2,615,926	\$0	(\$71,880)	(\$2,544,046)	\$0
Net Change for the Year	(\$2,799,952)	\$32,485,101	\$31,648,686	\$55,960,756	\$117,294,591
Prior Period Government Wide (Compensated Absences)		(32,451,848)			(32,451,848)
Change in Net Position-Governmental activities	(\$2,799,952)	\$33,253	\$31,648,686	\$55,960,756	\$84,842,743

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

Lake Washington School District No. 414
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
General Fund
For the Year Ended August 31, 2025

	Budgeted Amounts		Actual Amount	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local	\$124,637,152	\$124,637,152	\$113,593,026	(\$11,044,126)
State	433,241,577	433,241,577	437,174,678	3,933,101
Federal	28,582,242	28,582,242	12,966,151	(15,616,091)
Other	174,685	174,685	226,736	52,051
Total Revenues	<u>\$586,635,656</u>	<u>\$586,635,656</u>	<u>\$563,960,591</u>	<u>(\$22,675,065)</u>
Expenditures:				
Regular Instruction	\$352,841,196	\$352,841,196	\$346,988,559	\$5,852,637
Special Education	84,735,448	84,735,448	87,111,745	(2,376,297)
Vocational Education	22,513,062	22,513,062	25,302,873	(2,789,811)
Skills Center	6,151,425	6,151,425	5,530,840	620,585
Compensatory Education	19,591,441	19,591,441	17,751,822	1,839,619
Other Instructional Programs	26,743,968	26,743,968	2,843,876	23,900,092
Federal Stimulus	991	991	991	0
Community Services	4,191,353	4,191,353	3,528,200	663,153
Support Services	85,684,577	85,684,577	91,910,559	(6,225,982)
Total Expenditures	<u>\$602,453,461</u>	<u>\$602,453,461</u>	<u>\$580,969,465</u>	<u>\$21,483,996</u>
Excess of Revenues Over (Under) Expenditures	<u>(\$15,817,805)</u>	<u>(\$15,817,805)</u>	<u>(\$17,008,874)</u>	<u>(\$1,191,069)</u>
Other Financing Sources (Uses):				
Other Financial Sources	\$10,410,503	\$10,410,503	\$12,910,337	\$2,499,834
Total Other Financing Sources (Uses)	<u>\$10,410,503</u>	<u>\$10,410,503</u>	<u>\$12,910,337</u>	<u>\$2,499,834</u>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses	<u>(\$5,407,302)</u>	<u>(\$5,407,302)</u>	<u>(\$4,098,537)</u>	<u>\$1,308,765</u>
Beginning Fund Balance	55,800,000	55,800,000	69,921,067	14,121,067
Accounting Changes and Error Corrections			1,265,720	1,265,720
Beginning Fund Balance as Restated	<u>55,800,000</u>	<u>55,800,000</u>	<u>71,186,787</u>	<u>15,386,787</u>
Ending Fund Balance	<u>\$50,392,698</u>	<u>\$50,392,698</u>	<u>\$67,088,250</u>	<u>\$16,695,552</u>

Note: There was no budget revision during the fiscal year 2024-25. The notes to the financial statements are an integral part of this statement.

Lake Washington School District No. 414
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
Special Revenue Fund (Associated Student Body Fund)
For the Year Ended August 31, 2025

	Budgeted Amounts		Actual Amount	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General	\$2,578,945	\$2,578,945	\$1,834,021	(\$744,924)
Athletics	767,972	767,972	402,796	(365,176)
Classes	254,400	254,400	166,381	(88,019)
Clubs	4,247,122	4,247,122	2,335,939	(1,911,183)
Private Monies	217,400	217,400	43,370	(174,030)
Total Revenues	\$8,065,839	\$8,065,839	\$4,782,507	(\$3,283,332)
Expenditures:				
General	\$1,858,715	\$1,858,715	\$1,005,872	\$852,843
Athletics	1,829,610	1,829,610	952,266	877,344
Classes	280,139	280,139	248,037	32,102
Clubs	4,324,803	4,324,803	2,288,891	2,035,912
Private Monies	229,120	229,120	36,027	193,093
Total Expenditures	\$8,522,387	\$8,522,387	\$4,531,093	\$3,991,294
Excess of Revenues Over (Under) Expenditures	(\$456,548)	(\$456,548)	\$251,414	\$707,962
Beginning Fund Balance	1,654,643	1,654,643	\$2,055,589	400,946
Ending Fund Balance	\$1,198,095	\$1,198,095	\$2,307,003	\$1,108,908

Note: There was no budget revision during the fiscal year 2024-25. The notes to the financial statements are an integral part of this statement.

Lake Washington School District No. 414
Statement of Fiduciary Net Position
Fiduciary Funds
August 31, 2025

	Private- Purpose Trust
	<u> </u>
Assets	
Cash and Cash Equivalents	\$193,770
Accounts Receivable, Net	731
Due From Other Funds	
Total Assets	<u><u>\$194,501</u></u>
Liabilities	
Accounts Payable	\$4,500
Due to Other Funds	
Total Liabilities	<u>\$4,500</u>
Fund Balance/Net Position	\$190,001
Total Liab. & Fund Balance/Net Position	<u><u>\$194,501</u></u>

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

Lake Washington School District No. 414
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended August 31, 2025

	Private- Purpose Trust
Additions	
Donations	
Investment Earnings	\$8,399
Total Additions	<u>\$8,399</u>
Deductions	
Scholarships	\$5,100
Total Deductions	<u>\$5,100</u>
Change in Net Position	\$3,299
Net Position, Beginning of Year	\$186,702
Net Position, End of Year	<u><u>\$190,001</u></u>

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

LAKE WASHINGTON SCHOOL DISTRICT NO. 414
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 1, 2024 THROUGH AUGUST 31, 2025

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The Lake Washington 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 K-12. Oversight responsibility for the district's operations is vested with the 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 and the power to set fees, levy property taxes, and issue debt consistent with provisions of state statutes, also rests with the board of directors.

For financial reporting purposes, the Lake Washington School District includes all funds and organizations that are controlled by or dependent on the school district's board of directors. Control by or dependence on the Lake Washington School District was determined on the basis of budget adoption, outstanding debt secured by the general credit of the district, taxing authority, and obligation of the district to finance any deficits that may occur, or receipt of significant subsidies from the district.

B. Districtwide and Fund Financial Statements

Information on all of the non-fiduciary activities of the district is reported on the district-wide Statement of Net Position and the Statement of Activities.

The Statement of Activities demonstrates the degree to which the direct expenses of specific programs or functions are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program or function. Program revenues include 1) charges to individuals or groups who purchase, use, or directly benefit from goods, services, or privileges provided by a program or function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Individual governmental funds are reported as separate columns in the fund financial statements.

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

The financial statements of the Lake Washington 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 principles. The significant accounting policies are described below.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. 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 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. Property taxes receivable are measurable, however only the portion that is collected within 30 days after the current fiscal year is available for accrual. 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 subject to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the district receives cash.

In the process of aggregating data for the district-wide Statement of Net Position and Statement of Activities, the inter-fund receivables and payables within governmental funds were eliminated.

The district reports the following major governmental funds:

General fund

This fund is the district's primary operating fund. It is used to account 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, food services, maintenance, data processing, printing, and transportation activities are included in the general fund.

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 Lake Washington School District.

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.

Capital Projects Fund

These funds account for financial resources to be used for the acquisition of major capital assets. The district has two capital projects funds, both are reported as major funds.

Capital Projects Fund – This fund is used to account for the resources set aside for the acquisition, construction, and major repair and upgrades of capital assets.

Transportation Vehicle Fund – This fund is used to account for the purchase, major repair, rebuilding, and debt service expenditures related to pupil transportation equipment.

Fiduciary Funds

Trust funds are used to account for assets held by the district in a trustee capacity.

Private-Purpose Trust Fund – This fund is used to account for resources legally held in trust to benefit individuals or private organizations. All resources of the fund, including any earnings on invested resources, may be used to support the trust arrangements.

D. Assets, Liabilities, and Net Position

1. Cash and Cash Equivalents

The district's cash is held and controlled by the King County Treasurer as prescribed by Washington State law. The district uses the Bank of New York as its fiscal agent for bond principal and coupon redemption.

The district's cash and cash equivalents are considered cash on hand. These are funds invested in the King County Investment Pool and outstanding warrants.

2. Accounts Receivable

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

3. 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 for fiduciary funds.

4. Due From Other Governments

This account represents receivables for federal, state, and local grants. Grant revenues are recorded in the year in which the related expenditures are incurred.

5. Inventories and Prepaid Items

Inventories are valued at cost either using the weighted average method perpetual inventory system or first-in, first-out (FIFO) method for other inventory items. District inventories are recorded when consumed rather than when purchased. Physical inventories are conducted annually in August. An inventory reserve is established to indicate that a portion of the fund balance is not available for future expenditures.

6. Bond Discounts and Premiums

In governmental fund types, bond discounts and premium costs are recognized in the period of issuance. In government-wide financial statements, they are amortized over the life of the bonds.

7. Unavailable Revenue

In governmental fund financial statements, unavailable revenues consist of receivables such as uncollected property taxes, which are measurable but not yet available. In district-wide financial statements, property taxes are accrued as revenues.

8. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental activity columns in the district-wide financial statements. Capital assets are defined by the district as assets with an initial, individual cost of \$5,000 or more for equipment and vehicles and an estimated useful life in excess of one year. Buildings and improvements are capitalized. Such assets are valued at historical cost or estimated historical cost if purchased or constructed. 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 district-wide financial statements.

Donated capital assets are valued at their acquisition value on the date donated.

The cost of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized.

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 lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building & Improvements	50 Years
Portables	25 Years
Vehicles	20 Years
Equipment	10 Years

9. Long-Term Liabilities

Long-term liabilities consist of scheduled debt payments and compensated absences.

Debt Payments

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities (in the applicable district activities) on the Statement of Net Position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premiums or discounts.

In the fund financial statements, district fund types recognize bond premiums and discounts, as well as, bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt expenditures.

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 the Revised Code of Washington, 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 chapter also provides for an annual buy-back of an amount up to the maximum annual accumulation of twelve days. To qualify for annual sick buy-back, the employee must have accumulated an excess of 60 days of 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 amount of accrued sick leave as of August 31, 2025 was \$39,436,592 and reported as long-term liabilities in the district-wide financial statements.

Vacation Leave

Vacation leave is accrued according to bargaining agreement provisions for those employees eligible. Annual leave accumulated by district employees is paid upon retirement at 100% of per diem value. The amount accrued for vacation leave as of August 31, 2025 was \$2,689,643 and reported as long-term liabilities in the district-wide financial statements.

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow (expense) until then. The district has 3 items in this category. The Deferred Charge on Refunding results from the difference in the carrying value of the old debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Deferred charge for Pension Plans is detailed in note #7. This amount is amortized over the service life of each plan. The Deferred OPEB is the contribution made subsequent to the measurement date.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow (revenue) until then. The district has 2 items in this category. It is the Deferred Inflow on Pension Plan and the Deferred Inflow on OPEB which is detailed in note #7 and #8. This amount is amortized over the service life of each plan.

11. Net Position (District-wide Financial Statements)

The “Net Investment in Capital Assets” component consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The “Restricted” component reports the assets where constraints are placed on net position by external laws, regulations, or legislation. Therefore, they are available for disbursements only for specific purposes (i.e., debt service, capital projects, net pension asset and others). The “Unrestricted” component are assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

For purposes of calculating the restricted net position related to the net position asset, the district includes the net position asset and the related deferred outflows and deferred inflows/net pension asset and related deferred inflows.

12. Fund Balance Reserves (Government Fund Financial Statements)

Fund Balances are segregated under the following categories and presented on the face of the financial statements in the aggregate.

Nonspendable: Fund balance not available to be spent because they are not in spendable form or are legally required to be maintained intact.

Restricted: Fund balance constrained externally, such as those resulting from federal and state legislation, grant awards, bond covenants, and inter-local service agreements.

Committed: Fund balance constrained by District code, ordinance or resolution as adopted by the Board.

Assigned: Fund balance in special revenue funds intended to be used for specific purposes, but that are neither restricted or committed, include transfers from other funds, investment interest not constrained by contract or covenant, fees for services, and rents. Senior administration has the authority to create assignments of fund balance.

Unassigned: Unrestricted fund balance not committed or assigned in the General fund is considered unassigned. Also, negative fund balance in any other governmental fund is unassigned.

Minimum General Fund Balance – The District’s financial plan ensures that the District’s financial position is fiscally sound and that it is derived from a multi-year plan. As a result, the District plans to maintain a projected year-end Fund Balance of not less than five percent of the projected revenue in the General Fund. This will ensure that the District can continue to provide quality education to its students in the event of an emergency or other economic impact.

E: Accounting Changes and Error Corrections

Change in Accounting Principle

Effective for fiscal year 2025 the Lake Washington School District adopted the new standard issued by the Governmental Accounting Standards Board (GASB): Statement 101, *Compensated absences*. This standard updates how governments recognize and measure liabilities for employee leave benefits.

Under GASB 101, a liability is recorded for 1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through non cash means. A liability is recorded for leave that has not been used if (a) the leave is attributable to services already rendered (b) accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash, or settled through non cash means.

The August 31, 2024 compensated absence liability balances were restated as a result of this new standard. This change resulted in a liability increase of \$32,451,848.

Correction of Errors in Previously Issued Financial statements

During the prior audit Lake Washington School District identified errors in the prior year’s fund financial statements related to the deferred inflows of resources. To correct this error, beginning fund balances for the General Fund, Capital Projects Fund and Debt Service have been restated.

The correction resulted in an increase to beginning fund balance of \$3,607,882 and a corresponding decrease to deferred inflows of resources at the beginning of the period. There was no change to the government-wide statements.

Reporting changes and corrections of errors are displayed in the below table.

	8/31/2024 Net Position/Fund Balance as Previously Reported	Change in Accounting Principle	Error Correction	9/1/2024 As Restated
Government Wide:				
Governmental Activities	\$951,542,668	(\$32,451,848)		\$919,090,820
Government Funds:				
General	\$69,921,067		\$1,265,720	\$71,186,787
Special Revenue (ASB)	2,055,589			2,055,589
Capital Projects	103,489,718		1,131,909	104,621,627
Transportation Vehicle	3,575,683			3,575,683
Debt Service	29,274,205		1,210,253	30,484,458
Total Government Funds	\$208,316,262		\$3,607,882	\$211,924,144

Note 2: Property Taxes

Property tax revenues are collected as the result of special levies passed by the voters in the District per the Revised Code of Washington (RCW) 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 considered delinquent after that date. However, without incurring penalty, taxpayers may elect to pay one-half of the taxes due by April 30, with the remaining half due October 31, but would be considered delinquent after that date. Typically, a little more than half of the taxes due are collected on April 30. In governmental fund financial statements, property tax revenue which is measurable but not available (taxes that are not expected to be collected within 30 days after the current period) is recorded as a receivable and a deferred inflow of resources. In government-wide financial statements, property tax revenue, net of estimated uncollectible property taxes, is accrued at year-end.

Tax Abatements

As of December 31, 2021, King County provides tax abatement through four programs - the Current Use Program, the Historic Preservation Program, the Single-family Dwelling Improvement Program, and the Multifamily Housing Property Tax Exemption program. These programs are property tax abatements. The property tax system in the state of Washington is budget-based, which means the taxing authority determines a budget or dollar amount and adjusts the rates for the taxpayers based on the assessed valuation of their property. The tax abatements do not result in a reduction or loss of revenue to the County because, pursuant to state law, these taxes were effectively reallocated to other property taxpayers.

Current Use Programs

The Current Use Programs provide property tax abatements to landowners to voluntarily preserve open space, farmland or forestland via four programs on their property pursuant to RCW 84.33.130 and RCW 84.34.010. Public Benefit Rating System (PBRs) enrollment and associated tax savings are based on a point system. Points are awarded for each PBRs resource category a property qualifies for such as protecting buffers to streams and wetlands, ground

water protection, preserving significant wildlife habitat, conserving farmland and native forestland and preserving historic landmarks. Timber Land enrollment requires a property to have between five and twenty acres of manageable forestland and be zoned accordingly. Land participating in this program must be devoted primarily to the growth, harvest and management of forest crops for commercial purposes and must be managed according to an approved forest stewardship plan. Farm and Agricultural Land enrollment requires land to be used for the production of livestock or agricultural commodities for commercial purposes. Forestland enrollment requires a property to have more than twenty acres of eligible forestland primarily devoted to the growth and harvest of timber. An owner of land desiring current use classification must submit an application to the County Assessor. Once enrolled, a participating property is assessed at a “current use” value, which is lower than the “highest and best use” assessment value that would otherwise apply to the property. When land no longer meets the requirements for the respective classifications, abated taxes and applicable penalties and interest are collected.

Historic Preservation Program

The Historic Preservation Program provides property tax abatement through the legislature’s encouragement to maintain, improve and preserve privately owned historic landmarks pursuant to Chapter 84.26 RCW. The property must meet four criteria to qualify for special valuation to receive a reduction in property taxes. The property must: (1) be a historic property; (2) fall within a class of historic property determined eligible for special valuation by the local legislative authority; (3) be rehabilitated at a cost which meets the definition set forth in RCW 84.26.020(2) within 24 months prior to the application for special valuation; and (4) be protected by an agreement between the owner and the local review board as described in RCW 84.26.050(2). Abatement under this program remains valid for ten (10) consecutive assessment years from the date of application. The County Assessor shall, for 10 consecutive assessment years following the calendar year in which application is made, place a special valuation on property classified as eligible historic property. The entitlement of property to the special valuation provisions of this section shall be determined as of January 1. If property becomes disqualified for the special valuation for any reason, the property shall receive the special valuation for that part of any year during which it remained qualified or the owner was acting in good faith belief that the property was qualified. At the conclusion of special valuation, the cost shall be considered new construction. Whenever property classified and valued as eligible historic property under RCW 84.26.070 becomes disqualified for the valuation, there shall be added to the tax an additional tax equal to (a) the cost multiplied by the levy rate in King County, Washington 80 --- Notes to the Financial Statements each year the property was subject to special valuation; plus (b) interest on the amounts of the additional tax at the statutory rate charged on delinquent property taxes from the dates on which the additional tax could have been paid without penalty if the property had not been valued as historic property under this chapter; plus (c) a penalty equal to 12 percent of the amount determined in (a) and (b).

Single-family Dwelling Improvement Program

The Single-family Dwelling Improvement Program provides property tax abatement to encourage home improvements to single-family dwellings under RCW 84.36.400. Any physical improvement to single-family dwellings upon real property shall be exempt from taxation for the three (3) assessment years subsequent to the completion of the improvement. Abatement is obtained through application by the property owner, including proof that the improvements have been made and equal 100 percent of the additional property tax resulting from the increase in assessed value as a result of the improvements, not to exceed 30 percent of the pre-improvement value of the structure.

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes</u>
	<u>Abated</u>
Current Use	\$ 291,957
Historics	\$1,805
Single-family Dwelling Improvement	\$15,560

Note 3: Stewardship, Compliance, and Accountability

Budgetary Information

General Budgetary Policies

Chapter 28A.505 RCW and chapter 392-123 Washington Administrative Code (WAC) mandate school district policies and procedures. The board adopts the budget after a public hearing. An appropriation is a prerequisite to expenditure. Appropriations lapse at the end of the fiscal period.

Budgetary Basis of Accounting

For budget and accounting purposes, revenues and expenditures are accounted for on the modified accrual basis as prescribed in law for all governmental funds. 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.

Note 4: Deposits and Investments

In accordance with state investment laws, the district's governing body has entered into a formal interlocal Agreement with the district's ex officio treasurer, King County, to have all its funds not required for immediate expenditure to be invested in the King County Investment Pool (Pool).

The district's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). The fair value of the investment in the pool is measured using a net asset value (NAV) as determined by the pool.

As of August 31, 2025 the district had the following investments:

<u>Investment Type</u>	<u>Financial Amount</u>	<u>Fair Value Amount</u>	<u>Effective Duration</u>
King County Investment Pool	\$243,094,019	\$245,063,081	1.05 Years

Impaired Investments. As of August 31, 2025, all impaired commercial paper investments 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 District's share of the impaired investment pool is \$70,825 and the district's fair value of these investments is \$38,410.

Interest Rate Risk. As of August 31, 2025, the Pool's average duration was 1.05 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, of 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.

Credit Risk. As of August 31, 2025, 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, corporate notes (rated at least "A"), municipal securities (rated at least "A" by two NRSROs), commercial paper (rated at least the equivalent of "A-1"),

certificates of deposits issued by qualified public depositories, repurchase agreements, and the Local Government Investment Pool managed by the Washington State Treasurer's office.

Note 5: Receivables

Receivables as of year-end for the district's governmental and fiduciary funds are as follows:

	<u>General</u>	<u>ASB</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Transpor. Vehicle</u>	<u>Private Purpose Trust</u>
Receivables:						
Taxes	\$44,465,688		\$26,414,607	\$51,889,806		
Governmental	2,135,426			571,808	\$392,460	
Accounts	333,475	\$35,309	127,173	467,646	7,174	\$731
Total	<u>\$46,934,589</u>	<u>\$35,309</u>	<u>\$26,541,780</u>	<u>\$52,929,260</u>	<u>\$399,634</u>	<u>\$731</u>

Government funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

Note 6: Interfund Transactions and Transfers

As of August 31, 2025 short-term interfund receivables and payables in governmental funds that resulted from various interfund transactions in governmental fund financial statements were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$178,679	\$834,966
Capital Projects	1,590	8,357
Transportation Vehicle	71,881	511,783
Special Revenue Fund	<u>1,273,278</u>	<u>170,322</u>
	\$1,525,428	\$1,525,428

The interfund balances are liquidated on a monthly basis.

Note 7: Capital Assets

Purchases of items over \$5,000 for equipment and machinery are capitalized and depreciated in the district-wide financial statements. Buildings and Improvements are capitalized. The capital assets reported on the Statement of Net position are reported net of accumulated depreciation.

	Beginning			Ending
Capital Assets, not Depreciated:	Balance	Additions	Deletions	Balance
Land	\$85,715,223	\$10,582,265		\$96,297,488
Construction in Progress	37,854,473	\$53,179,843	\$41,214,795	49,819,521
Total	\$123,569,696	\$63,762,108	\$41,214,795	\$146,117,009
Capital Assets being Depreciated:				
Building and Improvements	\$1,670,169,810	\$41,740,447		\$1,711,910,257
Transportation Equipment	17,076,885	3,981,545		21,058,430
Other Equipment	8,214,769	1,444,889	1,022,813	8,636,845
Right of Use Asset	4,105,883	2,544,046	153,230	6,496,699
Total	\$1,699,567,347	\$49,710,927	\$1,176,043	\$1,748,102,231
Less: Accumulated Depreciation:				
Building and Improvements	\$457,023,424	\$37,519,744		\$494,543,168
Transportation Equipment	5,901,435	1,119,492		7,020,927
Other Equipment	4,369,873	592,171	986,966	3,975,078
Right of Use Asset	1,189,746	1,342,300	153,230	2,378,816
Total Accumulated Depreciation	\$468,484,478	\$40,573,707	\$1,140,196	\$507,917,989
Net Depreciated Assets	\$1,231,082,869	\$9,137,220	\$35,847	\$1,240,184,242
Net Total Assets	\$1,354,652,565	\$72,899,328	\$41,250,642	\$1,386,301,251

Depreciation expense was charged to governmental activities as follows:

Regular Instruction	\$23,162,900
Special Education	\$5,813,650
Vocational Education	\$1,685,096
Skills Center	\$369,174
Compensatory Instruction	\$1,173,651
Other Instructional Programs	\$187,620
Federal Stimulus COVID-19	\$66
Community Services	\$235,502
Support Services	\$7,353,250
Student Activities	<u>\$302,443</u>
	\$40,283,352

Major projects included in Construction in Progress:

		Project Authorization	Expended as of 8/31/2025	Additional Local Funds Committed	Additional State Funds Estimated
Juanita High	Fieldhouse & Pool Phase 2	7,200,000	\$5,579,872	\$1,620,128	
Lake Wa High	Field Upgrades	7,235,000	\$2,122,789	\$5,112,211	
Thoreau El	Boiler & Heat Pump	2,800,000	\$1,357,750	\$1,442,250	
Redmond High	Addition	42,200,000	\$4,597,947	\$37,602,053	
Eastlake High	Addition	36,200,000	\$6,752,005	\$29,447,995	
Emerson High	Rebuild & Enlarge	65,000,000	\$4,385,221	\$60,614,779	
Alcott El	Rebuild & Enlarge Predesign	86,800,000	\$2,399,792	\$84,400,208	
Smith El	Rebuild & Enlarge Predesign	118,100,000	\$478,209	\$117,621,791	
Kamiakin MS	Rebuild & Enlarge Predesign	174,000,000	\$715,708	\$173,284,292	
Evergreen MS	Rebuild & Enlarge Predesign	202,900,000	\$1,539,238	\$201,360,762	
Juanita HS	Fieldhouse/Community Pool Upgrades and Modernization	25,100,000	\$191,915	\$24,908,085	
		\$767,535,000	\$30,120,446	\$737,414,554	\$0

The district's property valuation of buildings and equipment for insurance purposes is \$1,908,643,530 on August 31, 2025.

Note 8: Pension Plans

The following table represents the aggregate pension amounts for all plans for fiscal year 2025:

Aggregate Pension Amounts-All Plans	
Pension Liabilities	(\$32,127,344)
Pension Assets	\$13,733,622
Deferred outflows of resources	\$90,884,088
Deferred inflows of resources	(\$18,913,220)
Pension expense/expenditures	\$5,992,473

DRS, a department within the primary government of the state of Washington, issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information for each plan. The DRS annual comprehensive financial report may be obtained by writing to: Washington State Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or online at [Annual Report](#) or <https://www.drs.wa.gov>.

Membership Participation

Substantially all of the District's full-time and qualifying part-time employees participate in one of the following three contributory, multiple-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 & 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 Plan Information

TRS was established in 1938, and its retirement provisions are contained in Chapters 41.32 and 41.34 RCW. 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 a single plan for accounting purposes.

TRS Plan 1 provides retirement, disability, and death benefits. Retirement benefits are calculated using 2% of the member's Average Final Compensation (AFC) times the member's years of service – up to a maximum of 60%. AFC is the average of the member's two consecutive highest-paid fiscal years.

Members are eligible for retirement at any age after 30 years of service, 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, and an optional cost-of-living adjustment (COLA).

TRS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits for Plan 2 are calculated using 2% of the member's Average Final Compensation (AFC) times the member's years of service. Retirement defined benefits for Plan 3 are calculated using 1% of AFC times the member's years of service. AFC is the monthly average of the member's 60 consecutive highest-paid service credit months. TRS Plan 2/3 has no cap on years of service credit.

Members are eligible for retirement with a full benefit at age 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 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit.

Other TRS Plan 2/3 benefits include a Cost-of-Living Adjustment (COLA) based on the Consumer Price Index, capped at 3% annually.

Annuities purchased with plan 3 defined contributions that are invested within the WSIB TAP are considered defined benefits. Plan 3 WSIB TAP annuities are actuarially reduced if a survivor benefit is chosen and TAP annuities include a COLA of 3% annually.

TRS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contribution upon separation. Members have multiple withdrawal options, including purchase of an annuity.

PERS Plan Information

PERS was established in 1947, and its retirement benefit provisions are contained in Chapters 41.34 and 41.40 RCW. PERS is a cost-sharing, multiple-employer retirement system. PERS Plan 1 provides retirement, disability, and death benefits. Retirement benefits are calculated as 2% times the member's Average Final Compensation (AFC) times the member's years of services. 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.

PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from inactive status before age 65 may also receive actuarially reduced benefits. Other benefits include an optional Cost-of-Living Adjustment (COLA).

SERS Plan Information

SERS was established by the legislature in 1998, and the plan became effective in 2000. SERS retirement benefit provisions are established in Chapters 41.34 and 41.35 RCW. SERS members include classified employees of school districts and educational service districts.

SERS is a cost-sharing, multiemployer 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.

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 a single plan for accounting purposes.

SERS provides retirement, disability, and death benefits. Retirement benefits for Plan 2 are calculated as 2% times the member's Average Final Compensation (AFC) times the member's years of service. Defined benefits for Plan 3 are calculated using 1% times the member's AFC times the member's years of service. AFC is the monthly average of the member's 60 consecutive highest-paid service credit months.

Members are eligible for retirement with a full benefit at age 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 Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen.

Other SERS Plan 2/3 benefits include a Cost-of-Living Adjustment (COLA) based on the Consumer Price Index, capped at 3% annually.

SERS 3 defined contributions benefits are totally dependent on employee contributions and the investment earnings on those contributions. Annuities purchased with plan 3 defined contributions that are invested within the WSIB TAP are considered defined benefits. Plan 3 WSIB TAP annuities are actuarially reduced if a survivor benefit is chosen and TAP annuities include a COLA of 3% annually.

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 state statute in accordance with Chapters 41.40 and 41.45 RCW for PERS, Chapters 41.35 and 41.45 RCW for SERS, and Chapters 41.32 and 41.45 RCW for TRS. 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 all plans were effective as of September 1, 2024. PERS contribution rates changed on July 1, 2025. The pension plan contribution rates (expressed as a percentage of covered payroll) for fiscal year 2025 are listed below:

	From this date	Through this date	Member rate	Employer rate	
PERS 1	9/1/2024	6/30/2025	6.00%	9.11%	
PERS 1	7/1/2025	8/31/2025	6.00%	5.58%	
SERS 2	9/1/2024	8/31/2025	7.76%	10.51%	
SERS 3	9/1/2024	8/31/2025	*	10.51%	**
TRS 1	9/1/2024	8/31/2025	6.00%	9.86%	
TRS 2	9/1/2024	8/31/2025	8.06%	9.86%	
TRS 3	9/1/2024	8/31/2025	*	9.86%	**
<i>Note: The Employer rates include .0020 DRS administrative expense.</i>					
* – TRS and SERS Plan 3 Employee Contribution Variable from 5% to 15% based on rate selected by the employee member.					
** – TRS and SERS Plan 2/3 Employer Contributions for defined benefit portion only.					

The District's actual contributions to the plans for the year ended August 31, 2025 were as follows:

August 31, 2025	PERS 1	SERS 2/3	TRS 1	TRS 2/3
District's Annual Contributions	\$2,214,164	\$6,452,296	\$4,161,002	\$21,508,231

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

At June 30, 2025, the school district reported a total liability of \$32,127,344 for its proportionate shares of the individual plans' collective net pension liability and \$13,733,622 for its proportionate shares of net pension assets. Proportion of net pension liability is based on annual contributions for each of the employers participating in the DRS administered plans. At June 30, 2025, the district's proportionate share of each plan's net pension liability is reported below:

June 30, 2025	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Proportionate Share of the Net Pension Liability (Asset)	\$4,734,419	(\$5,777,632)	\$27,392,925	(\$7,955,990)

Changes to the District's proportionate shares of the collective net pension liability are displayed in the Schedule of Changes in Long Term Liabilities, Note 11.

At June 30, 2025, the school district's percentage of the proportionate share of the collective net pension (asset) liability and the change in the allocation percentage from the prior period is illustrated below.

Change in Proportionate Shares	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Current year proportionate share of (NPA)/NPL	0.401564%	2.361601%	2.883435%	2.912074%
Prior year proportionate share of (NPA)/NPL	0.430045%	2.399847%	3.169575%	2.905142%
Net difference percentage	-0.028481%	-0.038246%	-0.286140%	0.006932%

Actuarial Assumptions

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, 2023, with the results rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	2.75% total economic inflation, 3.25% salary inflation
Salary increases	In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increases.
Investment rate of return	7.00%

Mortality Rates

Mortality rates used in the plans were developed using the Society of Actuaries' Pub.H-2010 Mortality rates, which vary by member status as the base table. OSA applies age offsets for each system to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale to project mortality rates for every year after the 2010 base table. The actuarial assumptions used in the June 30, 2024, valuation were based on the results of the *2013–2018 Demographic Experience Study Report and the 2023 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2023 actuarial valuation report.

Long-term Expected Rate of Return

OSA selected a 7.00% long-term expected rate of return on pension plan investments using a building-block method. In selecting the assumptions, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the Washington State Investment Board (WSIB) provided.

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 expected future rates of return are developed by the WSIB for each major asset class. 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, 2023, are summarized in the following table:

TRS 1, TRS 2/3, PERS 1, and SERS 2/3		
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	19.00%	2.10%
Tangible Assets	8.00%	4.50%
Real Estate	18.00%	4.80%
Global Equity	30.00%	5.60%
Private Equity	25.00%	8.60%

The inflation component used to create the above table is 2.50% and represents WSIB's long-term estimate of broad economic inflation consistent with their 2023 CMAs.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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.

Based on the assumptions described in the DRS Certification Letter, 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 7.00% on pension plan investments was applied to determine the total pension liability or (asset).

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

The following table presents the Lake Washington School District's proportionate share of the collective net pension liability or asset calculated using the discount rate of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00 percent) or one percentage-point higher (8.00 percent) than the current rate. Amounts are calculated using the school district's specific allocation percentage, by plan, to determine the proportionate share of the collective net pension liability or asset.

Sensitivity of the Net Pension Liability or Asset to Changes in the Discount Rate			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
PERS 1	\$1,989,440,000	\$1,178,996,000	\$468,217,000
Allocation Percentage	0.401564%	0.401564%	0.401564%
Proportionate Share	\$7,988,867	\$4,734,419	\$1,880,189
SERS 2/3	\$1,301,271,000	(\$244,649,000)	(\$1,517,029,000)
Allocation Percentage	2.361601%	2.361601%	2.361601%
Proportionate Share	\$30,730,823	(\$5,777,632)	(\$35,826,165)
TRS 1	\$1,539,720,000	\$950,010,000	\$431,512,000
Allocation Percentage	2.883435%	2.883435%	2.883435%
Proportionate Share	\$44,396,832	\$27,392,925	\$12,442,370
TRS 2/3	4,593,068,000	(273,207,000)	(4,227,395,000)
Allocation Percentage	2.912074%	2.912074%	2.912074%
Proportionate Share	\$133,753,545	(\$7,955,990)	(\$123,104,876)

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, 2025, the District reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pension Plans		
PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences		
Net difference between projected and actual earnings on pension plan investments		(\$325,474)
Changes in assumptions or other inputs		
Changes in proportionate shares		
Contributions subsequent to the measurement date	\$354,347	
TOTAL	\$354,347	(\$325,474)
SERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$10,169,270	
Net difference between projected and actual earnings on pension plan investments		(\$3,278,083)
Changes in assumptions or other inputs	\$4,461,099	(\$23,080)
Changes in proportionate shares	\$127,256	(\$218,643)
Contributions subsequent to the measurement date	\$1,077,040	
TOTAL	\$15,834,665	(\$3,519,806)
TRS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences		
Net difference between projected and actual earnings on pension plan investments		(\$1,694,651)
Changes in assumptions or other inputs		
Changes in proportionate shares		
Contributions subsequent to the measurement date	\$723,861	
TOTAL	\$723,861	(\$1,694,651)
TRS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$42,205,822	(\$359,925)
Net difference between projected and actual earnings on pension plan investments		(\$10,984,219)
Changes in assumptions or other inputs	\$26,116,380	(\$1,424,979)
Changes in proportionate shares	\$2,002,190	(\$604,166)
Contributions subsequent to the measurement date	\$3,646,823	
TOTAL	\$73,971,215	\$13,373,289
COMBINED TOTAL	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$52,375,092	(\$359,925)
Net difference between projected and actual earnings on pension plan investments		(\$16,282,426)
Changes in assumptions or other inputs	\$30,577,479	(\$1,448,059)
Changes in proportionate shares	\$2,129,446	(\$882,809)
Contributions subsequent to the measurement date	\$5,802,071	
TOTAL	\$90,884,088	(\$18,913,220)

\$5,802,071 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, 2025.

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
2026	\$310,572	\$6,176,621	\$1,702,942	\$15,854,305
2027	(\$226,246)	\$2,552,938	(\$1,188,629)	\$5,672,409
2028	(\$234,952)	\$1,194,559	(\$1,281,989)	\$5,501,347
2029	(\$174,849)	\$626,632	(\$926,976)	\$5,827,374
2030		\$687,068		\$8,781,902
Thereafter				\$15,313,768

Pension Expense

For the year ending August 31, 2025, the District recognized a total pension expense as follows:

	Pension Expense
PERS 1	(\$933,106)
SERS 2/3	\$3,659,709
TRS 1	(\$5,319,233)
TRS 2/3	\$8,585,103)
TOTAL	\$5,992,473

Note 9: Defined Benefit Other Postemployment Benefit (OPEB) Plans

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB 75 for the year 2025:

Aggregate OPEB Amounts – All Plans	
OPEB liabilities	\$114,875,546
Deferred outflows of resources	\$19,957,048
Deferred inflows of resources	\$78,619,903
OPEB expense/expenditures	(\$1,628,148)

The state, through the Health Care Authority (HCA), administers a defined benefit other post-employment benefit (OPEB) plan that is not administered through a qualifying trust. 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. Benefits purchased by PEBB include medical, dental, life insurance and long-term disability insurance. ⁽⁵⁾

The relationship between the PEBB OPEB plan and its member employers and their employees and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan. A substantive plan is one, which the employers and plan members understand the plan terms. This understanding is based on communications between the HCA, employers and plan members, and historical pattern of practice with regards to sharing of benefit costs.

Employers participating in the plan include the state of Washington (which includes general government agencies and higher education institutions), political subdivisions and tribal governments. Additionally, the PEBB plan is available to the retirees of the K–12 school districts and ESDs. The District’s retirees (approximately 3,777) are eligible to participate in the PEBB plan under this arrangement.

Eligibility

District members are eligible for retiree medical benefits after becoming eligible for service retirement pension benefits (either reduced or full pension benefits) Under PERS 1, 2, 3; TRS 1, 2, or 3; or SERS 2 and 3 plans.

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 Benefits

Upon retirement, members are permitted to receive medical benefits. The [2025 PEBB Retirees monthly rates](#) for pre-65 medical coverage are available on the [Washington State Health Care Authority](#) website (www.hca.wa.gov).

Funding Policy

The School Employees Benefits Board (SEBB) Program administers health insurance and other benefits to all employees in school districts and charter schools, and union-represented employees of educational service districts in Washington. The SEBB studies, designs, and approves comprehensive and cost-effective insurance benefit plans for school employees and establishes eligibility criteria for participation in these plans. The SEB Board is separate and independent from the Public Employees Benefits Board (PEBB).

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

The SEBB collects benefit premiums from all school district entities for covered employees. The premium includes a fee, established in state law. The purpose of this fee is to cover the impact of the subsidized rate of health care benefits for school retirees who elect to purchase their health care benefits through the state Health Care Authority PEBB plan. The amount collected is set forth in the state’s operating budget and is subject to change on an annual basis. This amount is not actuarially determined and is not placed in a trust to pay the obligations for post-employment health care benefits.

The District has no control over the benefits offered to retirees, the rates charged to retirees, nor the fee paid to the Health Care Authority. The District does not determine its annual required contribution, nor the net other post-employment benefit obligation associated with this plan. These amounts are not shown on the financial statements.

For further information on the results of the actuarial valuation of the employer provided subsidies associated with the state’s PEBB plan, refer to the [Office of the State Actuary](#). The plan does not issue a separate report; however, additional information is included in the State of Washington Annual Comprehensive Financial Report, which is available on the [OFM](#) website.

Membership

The following employees were included in the actuarial valuation as of July 1, 2024:

Retired employees and surviving spouses	1,100
Spouses of retired employees	483
Active employees	3,777

Sensitivity Analysis

The following presents the total OPEB liability of the District calculated using the current healthcare cost trend rates, as well as what the District's total OPEB liability would be if it were calculated using trend rates that are 1-percentage point lower or 1-percentage point higher than the current trend rates.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$96,328,894	\$114,875,546	\$139,329,497

The following presents the total OPEB liability of the District calculated using the discount rate of 3.87 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.87%) or 1-percentage point higher (4.87%) than the current rate.

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability	\$135,050,261	\$114,875,546	\$98,789,102

Change in OPEB Liability

The following table represents the changes in the total OPEB Liability as of August 31, 2025.

The measurement date of the OPEB liability is August 31, 2024. This is the date at which the OPEB liability is determined. The valuation date is July 1, 2024. There have been no significant changes between the valuation date and fiscal year ends.

Change in Total OPEB Liability	
Total OPEB Liability at 08/31/2024	\$114,103,576
Service Cost	5,795,672
Interest on total OPEB liability	4,497,059
Effect of economic/demographic gains or losses	2,535,720
Effect of assumptions changes or inputs	(8,288,857)
Expected benefit payments	(3,767,624)
Total OPEB Liability at 08/31/2025	<u>\$114,875,546</u>

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

At August 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$3,921,101	\$12,825,218
Changes of Assumptions	\$12,331,949	\$65,794,685
Payments subsequent to the measurement date	\$3,703,998	
Total	\$19,957,048	\$78,619,903

OPEB Expense

Deferred outflows of resources of \$3,703,998 resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended August 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended August 31:	
2025	(\$7,305,422)
2026	(\$6,393,965)
2027	(\$6,393,963)
2028	(\$6,548,760)
2029	(\$9,321,605)
Thereafter	(\$26,403,138)

Note 10: Participation in Interlocal Cooperative

The Lake Washington School District is a member of the King County Director's Association which is an organization formed and owned by school districts in Washington State. The purpose of the cooperative is to purchase supplies, equipment, food and other merchandise at lower prices through volume purchasing.

The members of the cooperative are billed for items purchased at association cost plus an administrative charge. Profits are allocated annually to the member districts based upon comparative administrative charges. No profit distributions have been paid. The Lake Washington School District's accrued ownership at December 31, 2024 was \$526,363.

Note 11: Long-Term Debt

A. Changes in Long-Term Liabilities

During the fiscal year ended August 31, 2025 the following changes occurred in liabilities reported in the district-wide financial statements:

Bonds Payable	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
2009 Bonds	\$17,445,000			\$17,445,000	
2015 Bonds	37,900,000		19,165,000	18,735,000	18,735,000
2016 Bonds	114,605,000		10,485,000	104,120,000	6,830,000
2017 Bonds	112,505,000		2,785,000	109,720,000	4,610,000
2018 Bonds	44,240,000			44,240,000	
2020 Bonds	141,110,000		12,050,000	129,060,000	21,580,000
2024 Bonds	48,010,000		4,425,000	43,585,000	10,110,000
Total Bonds Payable	\$515,815,000	\$0	\$48,910,000	\$466,905,000	\$61,865,000
Other Liabilities:					
Unemployment Pay.	\$503,607	\$335,393		\$839,000	\$200,000
Industrial Insurance	2,043,000	1,080,000		3,123,000	1,100,000
Self Insurance	655,467		25,467	630,000	350,000
Net OPEB	114,103,576	771,970		114,875,546	3,703,998
Compensated Absences	40,002,993	2,238,498	115,256	42,126,235	15,998,823
Right of Use Asset	2,334,719		782,270	1,552,449	806,993
Net Pension	48,622,822		16,495,478	32,127,344	
Unamortized Premium	54,674,646		7,640,194	47,034,452	7,640,194
Unamortized Discount	(1,654,964)		(256,506)	(1,398,458)	(256,506)
Total Other Liab.	261,285,866	4,425,861	24,802,159	240,909,568	29,543,502
Grand Total	\$777,100,866	\$4,425,861	\$73,712,159	\$707,814,568	\$91,408,502

B. Bond Premiums

The amortization schedule of bond premiums is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
2009 Bonds	\$24,616		\$6,154	\$18,462
2015 Bonds	3,101,837		1,550,917	1,550,920
2016 Bonds	18,795,529		1,566,294	17,229,235
2017 Bonds	11,337,585		809,712	10,527,873
2018 Bonds	5,732,846		382,190	5,350,656
2020 Bonds	13,385,919		\$2,865,664	10,520,255
2024 Bonds	2,296,314		\$459,263	1,837,051
	<u>\$54,674,646</u>	<u>\$0</u>	<u>\$7,640,194</u>	<u>\$47,034,452</u>

C. Unamortized Discount Costs

The amortization schedule of bond discount costs is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
2009 Bonds	\$30,593		\$7,649	\$22,944
2015 Bonds	103,600		51,800	51,800
2016 Bonds	409,545		34,128	375,417
2017 Bonds	376,908		26,921	349,987
2018 Bonds	201,839		13,456	188,383
2020 Bonds	330,837		82,224	248,613
2024 Bonds	201,642		40,328	161,314
	<u>\$1,654,964</u>	<u>\$0</u>	<u>\$256,506</u>	<u>\$1,398,458</u>

D. Unamortized Deferred Charge on Refunding

The amortization schedule of deferred charge on refunding which is carried as a deferred outflow of resources is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
2006 Bond	\$702,399		\$351,200	\$351,199
2008 Bond	1,354,582		451,525	903,057
2009 Bond	172,172		57,391	114,781
2010 Bond	1,530,513		255,086	1,275,427
	<u>\$3,759,666</u>	<u>\$0</u>	<u>\$1,115,202</u>	<u>\$2,644,464</u>

E. General Obligation Debt

Bonds payable at August 31, 2025 are comprised of the following:

	Interest Rates	Issue Date	Maturity Date	Amount Issued	Ending Balance
2009 Bonds	1.65-5.57	11/03/09	12/01/27	\$17,445,000	\$17,445,000
2015 Bonds	2.00-5.00	06/17/15	12/01/25	162,800,000	18,735,000
2016 Bonds	1.50-5.00	08/23/16	12/01/35	195,020,000	104,120,000
2017 Bonds	2.50-5.00	12/13/17	12/01/37	149,565,000	109,720,000
2018 Bonds	3.00-5.00	12/06/18	12/01/38	71,765,000	44,240,000
2020 Bonds	2.00-4.00	05/28/20	12/01/29	188,495,000	129,060,000
2024 Bonds	5.00	06/20/24	12/01/28	48,010,000	43,585,000
				<u>\$833,100,000</u>	<u>\$466,905,000</u>

F. Debt Service Requirements to Maturity

Fiscal Year Ended August 31	Principal	Interest	Total
2026	61,865,000	18,072,783	79,937,783
2027	53,575,000	15,872,385	69,447,385
2028	49,410,000	13,936,625	63,346,625
2029	53,790,000	11,781,225	65,571,225
2030	45,735,000	9,715,575	55,450,575
2031-2035	123,030,000	31,328,950	154,358,950
2036-2039	79,500,000	5,351,675	84,851,675
	466,905,000	106,059,218	572,964,218

G. Bonds Authorized but Unissued

As of August 31, 2025, there are no bonds that are authorized and unissued.

Note 12: Leases

Leases Payable

For the year ended 8/31/2025, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

As of 08/31/2025, Lake Washington School District 414 (King County), WA had 2 active leases. The leases have payments that range from \$152,746 to \$273,300 and interest rates that range from 0.5770% to 2.7360%. As of 08/31/2025, the total combined value of the lease liability is \$1,054,059, the total combined value of the short-term lease liability is \$412,580. The combined value of the right to use asset, as of 08/31/2025 of \$2,056,624 with accumulated amortization of \$1,038,191 is included within the Lease Class activities table found below. The leases had \$0 of Variable Payments and \$0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Buildings	848,179	533,901
Equipment	1,208,445	504,289
Total Leases	2,056,624	1,038,190

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	412,579	18,082	430,661
2027	425,292	10,055	435,347
2028	216,188	2,324	218,512

GOVERNMENTAL ACTIVITIES:

	Balance as of September 1, 2024	Additions	Reductions	Balance as of August 31, 2025
Lease Assets				
Buildings				
Lessee-Kore Westpark	848,179	-	-	848,179
Total Building Lease Assets	848,179	-	-	848,179
Equipment				
District wide copiers-POA	1,208,445	-	-	1,208,445
Total Equipment Lease Assets	1,208,445	-	-	1,208,445
Total Lease Assets	2,056,624	-	-	2,056,624
Lease Accumulated Amortization				
Buildings				
Lessee-Kore Westpark	383,048	150,853	-	533,901
Total Building Lease Accumulated Amortization	383,048	150,853	-	533,901
Equipment				
District wide copiers-POA	248,233	256,057	-	504,289
Total Equipment Lease Accumulated Amortization	248,233	256,057	-	504,289
Total Lease Accumulated Amortization	631,281	406,910	-	1,038,190
Total Governmental Lease Assets, Net	1,425,343	(406,910)	-	1,018,434

Note 13: Subscription- Based Information Technology Agreements

For the year ended 8/31/2025, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

As of 08/31/2025, Lake Washington School District had 8 active subscriptions. The subscriptions have payments that range from \$87,907 to \$1,316,246 and interest rates that range from 2.2750% to 3.0590%. As of 08/31/2025, the total combined value of the subscription liability is \$498,390. The combined value of the right to use asset, as of 08/31/2025 of \$4,593,306 with accumulated amortization of \$1,493,856 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Subscription Asset Value	Accumulated Amortization
Software	4,593,306	1,493,856
Total Subscriptions	4,593,306	1,493,856

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	394,414	13,454	407,869
2027	103,975	2,845	106,820

GOVERNMENTAL ACTIVITIES:

	Balance as of September 1, 2024	Additions	Reductions	Balance as of August 31, 2025
Subscription Assets				
Software				
CDWG (Nutanix)	-	559,520	-	559,520
ClassLink Inc	340,069	-	-	340,069
Discovery Education (Dreambox)	479,400	-	-	479,400
Finalsite	486,631	-	-	486,631
Inquired Ed (Journeys)	-	1,316,246	-	1,316,246
Lexia Learning Systems	-	668,280	-	668,280
Panorama Education	448,796	-	-	448,796
Raptor Technologies	294,363	-	-	294,363
Total Software Subscription Assets	2,049,259	2,544,046	-	4,593,305
Total Subscription Assets	2,049,259	2,544,046	-	4,593,305
Subscription Accumulated Amortization				
Software				
CDWG (Nutanix)	-	111,904	-	111,904
ClassLink Inc	170,034	85,017	-	255,051
Discovery Education (Dreambox)	40,560	239,368	-	279,927
Finalsite	113,547	97,326	-	210,874
Inquired Ed (Journeys)	-	166,263	-	166,263
Lexia Learning Systems	-	27,845	-	27,845
Panorama Education	130,899	112,199	-	243,098
Raptor Technologies	103,425	95,469	-	198,894
Total Software Subscription Accumulated Amortization	558,465	935,391	-	1,493,856
Total Subscription Accumulated Amortization	558,465	935,391	-	1,493,856
Total Governmental Subscription Assets, Net	1,490,794	1,608,655	-	3,099,449

Note 14: Self-Insured Employee Benefits

Unemployment – The district provides for unemployment compensation on a self-insured basis, whereby an estimated liability is accrued and actual benefits paid are charged against the accrual in the General Fund. The district reimburses Washington State Employment Security Department on a quarterly basis for claims approved and paid. The district paid out a total of \$179,841 in unemployment claims for the fiscal year ended August 31, 2025. The following is a summary of activity for the current and prior fiscal year.

	Beginning			Ending
<u>Fiscal Year</u>	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
2024-25	\$503,607	\$515,234	\$179,841	\$839,000
2023-24	\$301,000	\$670,082	\$467,475	\$503,607

Industrial Insurance – The district began self-insurance for industrial insurance in January 1979 and contracts with a 3rd party administrator to manage its claims. Industrial insurance compensation is provided for by establishing an estimated liability based on past experience. This liability is reviewed continually for adequacy. In addition, the district carries a major risk policy that covers a single claim over \$500,000. The district paid out a total of \$1,786,137 in industrial insurance claims in the General Fund for the fiscal year ended August 31, 2025. The following is a summary of activity for the current and prior fiscal year.

<u>Fiscal Year</u>	Beginning				Ending
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>		<u>Balance</u>
2024-25	\$2,043,000	\$4,020,435	\$2,940,435		\$3,123,000
2023-24	\$1,057,000	\$4,464,200	\$3,478,200		\$2,043,000

Note 15: Risk Management

The district is a member of the Washington Schools Risk Management Pool (WSRMP). Chapter

48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self- insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. WSRMP was formed in 1986 when educational service districts and school districts in the state of Washington joined by signing the Cooperative Risk Management Pool Account Agreement (Account Agreement) to pool their self- insured losses and jointly purchase insurance and administrative services.

WSRMP allows members to jointly purchase insurance coverage, establish a plan of self- insurance, and provide related services, such as risk management. WSRMP provides the following coverages for its members: property, liability, vehicle/bus, crime, employment practices, errors and omissions, sexual abuse & molestation, equipment breakdown, cyber, and deadly weapons protection/crisis response.

Members make an annual contribution to fund WSRMP. WSRMP purchases reinsurance and excess insurance from unrelated carriers subject to a per-occurrence self-insured retention of \$1 million for property risk with a \$3M plus aggregate, \$2M for liability risk with 10% quota shared by WSRMP. Reinsurance or Excess carriers cover losses over the self-insured retention to the maximum limits of each Coverage Agreement. Since WSRMP is a cooperative program, there is a joint liability among the participating members.

Members contract to remain in WSRMP for a minimum of three years and must give notice three years before terminating participation. The Account Agreement is renewed automatically each year after the initial three-year period. Even after termination, a member is still responsible for their share of contributions to WSRMP for any unresolved, unreported, and in-process claims for the period in which they were a signatory to the Account Agreement.

WSRMP is fully funded by its member participants and is governed by a board of directors that consists of one designated representative from each participating member. An executive board is elected at the annual meeting and is responsible for overseeing the business affairs of WSRMP.

Property & Liability Insurance – The district has been a member of the Washington Schools Risk Management Pool (WSRMP) for property and liability insurance since 1986. Beginning September 1, 2022 the district established a \$250,000.00 self-insured retention (SIR) on the WSRMP policy. The district manages all claims and receives reimbursement from WSRMP for claims exceeding the SIR. Depending on the severity of a claim, WSRMP co-manages the claim with the district and may assume payments exceeding the SIR. The district paid out a total of \$1,862,933 for the fiscal year ended August 31, 2025. The following is a summary of the activity for the current fiscal year.

<u>Fiscal Year</u>	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
2024-25	\$655,466	\$1,727,238	\$1,752,704	\$630,000
2023-24	\$491,499	\$1,296,013	\$1,132,046	\$655,466

Note 16: Reconciliation Between Governmental Fund Financial Statements and District-Wide Financial Statements

A. Balance Sheet/Statement of Net Position

1. Capital Assets – Capital assets are not reported on governmental fund financial statements. Capital assets are reported on the district-wide Statement of Net Position at historical cost less accumulated depreciation.

Cost of capital assets	\$1,894,372,468
Accumulated Depreciation	<u>508,071,217</u>
Net Capital Assets	<u>\$1,386,301,251</u>

2. Deferred Charge on Refunding-The difference between the carrying amount of refunded debt and the cost of new debt to retire the old debt resulted in a loss on refunding. The governmental funds recognize this loss as current other financing sources in the period in which the refunding occurred. In the governmental statements, the deferred loss on refunding balance (\$2,644,464) is shown as a deferred outflow of resources and amortized as a component of interest expense over the shorter of the life of the old debt or new debt.
3. Deferred Pension Plan-In the governmental funds, the district is required to report a portion of the liabilities for the pension plans with which our employees participate. This resulted in a deferred outflow (\$90,884,088) and a deferred inflow (\$18,913,220) of resources.
4. Deferred Other Post Employment Benefits- In the governmental funds, the district is required to report a portion of the liabilities for the OPEB plans with which our retirees participate. This resulted in a deferred outflow (\$19,957,048) and a deferred inflow (\$78,619,903) of resources.
5. Long-term liabilities of \$707,814,568 (\$91,523,758) due within one year; \$472,991,918 due in more than one year; OPEB liability of \$111,171,548 and net pension liability of \$32,127,344 applicable to the district's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of Net Position.
6. Unavailable Revenue – Property taxes and receivables (\$117,943,437) that do not provide current financial resources are reported as unavailable revenue in governmental funds, but as revenues in government-wide financial statements.
7. Due From and Due To Other Funds (\$1,525,428) - Internal transfers between governmental funds were eliminated in the governmental-wide statement to avoid the “doubling up” effect.

B. Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities

1. Property taxes and open accounts receivable that do not provide current financial resources are reported as unavailable revenue in governmental funds, but as revenues in the Statement of Activities (\$6,030,897).
2. The increase between the beginning and ending balances of the liability for compensated absences (\$2,123,242) is reported in the Statement of Activities as an expense and is allocated to various applicable programs. This increase is not reported in governmental fund statements.
3. The decrease between the beginning and ending balance of the liability for net OPEB obligation (-\$1,628,148) is reported in the Statement of Activities as an expense and is allocated to various applicable programs. This decrease is not reported in governmental fund statements.
4. Current year pension expense per GASB 68 (-\$28,343,225) is not reported in the governmental fund financial statements. However, it is reported in the district-wide statement of activities as a negative expense.
5. The proceeds of the sale of property is reported as an increase in other financial resources in governmental funds, while only the gain on sale or disposition of property (\$17,701) is reported in the statement of activities.
6. Capital Assets – Capital assets are expensed when purchased or constructed in the governmental fund statements. Capital assets are expensed as depreciation over the useful life of the asset in the statement of activities (\$71,914,337).
7. Repayment of bond principal (\$48,910,000) is reported as an expenditure in governmental funds and, thus has the effect of reducing fund balance. For the district as a whole, however, the principal payments reduce the liabilities in the statement of Net Position.
8. Repayment of Right of Use Assets (\$3,326,316) is reported as an expenditure in governmental funds and, thus has the effect of reducing fund balance. For the district as a whole, however, the principal payments reduce the liabilities in the statement of Net Position.
9. Internal transfers between funds (\$29,746,873) are reported as other financial sources/uses in the governmental funds but eliminated in the consolidated Statement of Activities.
10. The government funds report debt interest and other payments, \$20,181,328 as expenditures. In the governmental funds, interest expense is adjusted to reflect amortization of bond premium (\$7,640,194), amortization of bond discount (\$256,506) and amortization of deferred amount on refunding (\$1,115,202).

Amortization of Bond Premium	(\$7,640,194)
Amortization of Bond Discount	256,506
Amortization of Deferred Amount of Refunding	<u>1,115,202</u>
	(\$6,268,486)

Note 17: Contingent Liabilities

The district receives federal and state grants for specific programs. Both types of grants are subject to audit by the Washington State Auditor's Office. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, the district believes that such disallowances, if any, will be immaterial.

Note 18: Litigation

Possible losses from suits and claims against the Lake Washington School District are fully covered by the Washington Schools Risk Management Pool. The District is not aware of any claims which are not adequately covered.

Lake Washington School District
Schedules of Required Supplementary Information

The required supplementary information identified below is presented separately for each plan in which the school district participates. The amounts reported in the Schedules of the Districts Proportionate Share of the Net Pension Liability are determined as of the June 30 measurement date of the collective net pension liability.

PERS I										
Last 10 Fiscal Years*										
As of June 30th	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's Proportion of the net pension liability (percentage)	0.292801%	0.372758%	0.317635%	0.357901%	0.390956%	0.398323%	0.443017%	0.422607%	0.430045%	0.401564%
District's proportionate share of the net pension liability (amount)	\$15,724,781	\$17,687,644	\$14,185,700	\$13,762,575	\$13,802,860	\$4,864,452	\$12,335,216	\$9,646,996	\$7,641,203	\$4,734,419
District's covered-employee payroll	\$35,333,773	\$46,371,620	\$42,034,737	\$49,819,307	\$58,083,384	\$60,982,314	\$67,620,284	\$75,359,784	\$80,459,503	\$83,201,264
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	44.50%	38.14%	33.75%	27.62%	23.76%	7.98%	18.24%	12.80%	9.50%	5.69%
Plan fiduciary net position as a percentage of the total pension liability	57.03%	61.24%	63.22%	67.12%	68.64%	88.74%	76.56%	80.16%	84.05%	89.07%

SERS 2/3											
Last 10 Fiscal Years*											
As of June 30th	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
District's Proportion of the net pension liability (percentage)	1.877438%	2.244654%	1.893267%	2.045037%	2.208082%	2.382546%	2.374662%	2.396008%	2.399847%	2.361601%	
District's proportionate share of the net pension liability (amount)	\$12,330,393	\$11,076,806	\$5,662,041	\$4,795,570	\$11,746,200	(\$25,581,324)	(\$6,379,529)	(\$3,429,742)	(\$812,036)	(\$5,777,632)	
District's covered-employee payroll	\$34,875,682	\$45,868,804	\$41,624,914	\$49,508,318	\$57,845,947	\$60,799,544	\$67,436,059	\$75,301,416	\$80,424,088	\$83,149,833	
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	35.36%	24.15%	13.60%	9.69%	20.31%	-42.07%	-9.46%	-4.55%	-1.01%	-6.95%	
Plan fiduciary net position as a percentage of the total pension liability	86.52%	90.79%	94.77%	96.31%	92.45%	114.15%	103.17%	101.54%	100.33%	102.22%	

TRS I											
Last 10 Fiscal Years*											
As of June 30th	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
District's Proportion of the net pension liability (percentage)	2.310233%	2.709794%	2.463093%	2.718438%	2.768718%	2.876233%	2.972682%	2.922244%	3.169575%	2.883435%	
District's proportionate share of the net pension liability (amount)	\$78,876,837	\$81,924,344	\$71,936,904	\$67,303,176	\$66,692,483	\$19,365,620	\$56,535,360	\$37,010,721	\$35,160,005	\$27,392,925	
District's covered-employee payroll	\$117,104,222	\$150,055,912	\$144,918,444	\$182,490,738	\$199,992,101	\$214,627,110	\$233,991,703	\$246,694,522	\$255,916,890	\$266,927,433	
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	67.36%	54.60%	49.64%	36.88%	33.35%	9.02%	24.16%	15.00%	13.74%	10.26%	
Plan fiduciary net position as a percentage of the total pension liability	62.07%	65.58%	66.52%	70.37%	70.55%	91.42%	78.24%	85.09%	86.53%	88.11%	

TRS 2/3										
Last 10 Fiscal Years*										
As of June 30th	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's Proportion of the net pension liability (percentage)	2.293214%	2.698990%	2.462132%	2.715775%	2.759083%	2.884514%	2.952000%	2.933234%	2.905142%	2.912074%
District's proportionate share of the net pension liability (amount)	\$31,492,634	\$24,910,139	\$11,082,403	\$16,363,469	\$42,378,992	(\$79,289,710)	(\$5,809,123)	(\$3,602,452)	\$5,821,614	(\$7,955,990)
District's covered-employee payroll	\$114,847,370	\$148,016,879	\$143,690,860	\$181,294,700	\$199,153,137	\$214,166,785	\$233,794,421	\$246,565,606	\$255,883,536	\$266,927,433
District's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	27.42%	16.83%	7.71%	9.03%	21.28%	-37.02%	-2.48%	-1.46%	2.28%	-2.98%
Plan fiduciary net position as a percentage of the total pension liability	88.72%	93.14%	96.88%	96.36%	91.72%	120.29%	100.86%	100.49%	99.27%	100.91%

The information identified below is the Schedule of Contributions, by Plan. The amounts reported in the Schedules of District Contributions are determined as of the school district's fiscal year ending August 31.

PERS 1										
Last 10 Fiscal Years*										
As of August 31st	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contributions	\$1,863,411	\$2,095,592	\$2,345,266	\$2,603,126	\$2,833,438	\$2,967,053	\$2,715,084	\$2,879,786	\$2,574,342	\$2,214,164
Contributions in relation to the contractually required contributions	\$1,863,411	\$2,095,592	\$2,345,266	\$2,603,126	\$2,833,438	\$2,967,053	\$2,715,084	\$2,879,786	\$2,574,342	\$2,214,164
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District's covered-employee payroll	\$39,054,584	\$43,348,477	\$46,208,783	\$50,423,795	\$59,720,797	\$61,285,532	\$68,757,586	\$77,093,903	\$80,655,833	\$83,640,570
Contribution as a percentage of covered-employee payroll	4.77%	4.83%	5.08%	5.16%	4.74%	4.84%	3.95%	3.74%	3.19%	2.65%

SERS 2/3											
Last 10 Fiscal Years*											
As of August 31st	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Contractually required contributions	\$2,519,129	\$2,842,705	\$3,713,934	\$4,145,406	\$4,774,843	\$5,016,469	\$5,314,902	\$5,843,414	\$6,240,911	\$6,452,296	
Contributions in relation to the contractually required contributions	\$2,519,129	\$2,842,705	\$3,713,934	\$4,145,406	\$4,774,843	\$5,016,469	\$5,314,902	\$5,843,414	\$6,240,911	\$6,452,296	
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
District's covered-employee payroll	\$38,558,679	\$42,888,172	\$45,766,910	\$50,137,314	\$59,492,296	\$61,112,344	\$68,587,308	\$77,042,420	\$80,618,125	\$83,592,326	
Contribution as a percentage of covered-employee payroll	6.53%	6.63%	8.11%	8.27%	8.03%	8.21%	7.75%	7.58%	7.74%	7.72%	

TRS 1											
Last 10 Fiscal Years*											
As of August 31st	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Contractually required contributions	\$7,928,788	\$8,859,127	\$11,460,836	\$13,946,894	\$14,539,975	\$15,808,309	\$15,254,286	\$15,771,996	\$7,066,118	\$4,161,002	
Contributions in relation to the contractually required contributions	\$7,928,788	\$8,859,127	\$11,460,836	\$13,946,894	\$14,539,975	\$15,808,309	\$15,254,286	\$15,771,996	\$7,066,118	\$4,161,002	
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
District's covered-employee payroll	\$128,448,411	\$140,318,930	\$160,114,673	\$187,745,729	\$202,159,906	\$217,663,861	\$236,032,636	\$248,476,867	\$257,504,078	\$268,741,947	
Contribution as a percentage of covered-employee payroll	6.17%	6.31%	7.16%	7.43%	7.19%	7.26%	6.46%	6.35%	2.74%	1.55%	

TRS 2/3											
Last 10 Fiscal Years*											
As of August 31st	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Contractually required contributions	\$8,341,117	\$9,307,146	\$12,267,460	\$14,606,826	\$16,053,448	\$17,456,059	\$18,881,466	\$19,848,230	\$20,617,519	\$21,508,231	
Contributions in relation to the contractually required contributions	\$8,341,117	\$9,307,146	\$12,267,460	\$14,606,826	\$16,053,448	\$17,456,059	\$18,881,466	\$19,848,230	\$20,617,519	\$21,508,231	
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
District's covered-employee payroll	\$126,039,739	\$138,532,088	\$158,835,845	\$186,554,080	\$201,402,700	\$217,262,515	\$235,878,243	\$248,334,897	\$257,504,078	\$268,741,947	
Contribution as a percentage of covered-employee payroll	6.62%	6.72%	7.72%	7.83%	7.97%	8.03%	8.00%	7.99%	8.01%	8.00%	

LAKE WASHINGTON SCHOOL DISTRICT NO. 414
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS FOR THE YEAR ENDED AUGUST 31, 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability								
Service Cost	\$7,334,473	\$6,232,790	\$7,952,152	\$11,046,633	\$11,275,168	\$11,880,521	\$5,943,887	\$5,795,672
Interest on total OPEB liability	3,766,360	4,374,274	5,374,551	5,250,347	3,817,710	4,016,155	4,153,948	4,497,059
Changes in benefit terms								
Effect of economic/demographic gains or (losses)	\$0	\$5,386,339	\$0	(\$9,005,562)	\$0	(\$10,932,140)	\$0	\$2,535,720
Effect of assumption changes or inputs	(15,494,785)	(3,838,357)	27,728,423	(7,402,544)	1,959,754	(67,358,720)	(3,912,766)	(8,288,857)
Expected benefit payments	(2,348,794)	(2,656,625)	(2,890,759)	(3,298,830)	(3,424,604)	(3,614,830)	(3,660,606)	(3,767,624)
Net change in total OPEB liability	(6,742,746)	9,498,421	38,164,367	(3,409,956)	13,628,028	(66,009,014)	2,524,463	771,970
Total OPEB liability, beginning	126,450,013	119,707,267	129,205,688	167,370,055	163,960,099	177,588,127	111,579,113	114,103,576
Total OPEB liability, ending	\$119,707,267	\$129,205,688	\$167,370,055	\$163,960,099	\$177,588,127	\$111,579,113	\$114,103,576	\$114,875,546
Covered employee payroll	\$194,129,649	\$217,811,559	\$238,169,523	261,880,703	\$278,949,393	\$304,790,222	\$325,570,770	\$338,159,911
Total OPEB liability as a percentage of covered payroll	61.66%	59.32%	70.27%	62.61%	63.66%	36.61%	35.05%	33.97%

The valuation date of the actuarial study was July 1, 2024 and then projected to the measurement date of August 31, 2024. Assets have not been accumulated in a trust to pay related benefits. There are no changes to benefit terms. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

Lake Washington School District No. 414
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Total	
Child Nutrition Cluster							
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA OSPI)	School Breakfast Program	10.553	217WAWA3N10 99	203,670	-	203,670	-
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA OSPI)	National School Lunch Program	10.555	217WAWA3N10 99	1,946,781	-	1,946,781	-
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA OSPI)	National School Lunch Program	10.555	17414	133,935	-	133,935	-
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA OSPI)	National School Lunch Program	10.555	17414	519,211	-	519,211	- 3
Total ALN 10.555:				2,599,927	-	2,599,927	-
Total Child Nutrition Cluster:				2,803,597	-	2,803,597	-
Schools and Roads Cluster							
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF (via WA State Treasurer)	Schools and Roads - Grants to States	10.665	17414	40,593	-	40,593	-
Total Schools and Roads Cluster:				40,593	-	40,593	-
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, EDUCATION, DEPARTMENT OF (via WA OSPI)	Title I Grants to Local Educational Agencies	84.010	84.010A - AD5201 & AD5136	1,083,978	-	1,083,978	- 2a, 4

The accompanying notes are an integral part of this schedule.

Lake Washington School District No. 414
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Special Education Cluster (IDEA)								
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, EDUCATION, DEPARTMENT OF (via WA OSPI)	Special Education Grants to States	84.027	84.027A - AD5125	5,723,710	-	5,723,710	-	2a
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, EDUCATION, DEPARTMENT OF (via WA OSPI)	Special Education Grants to States	84.027	84.027A - 17414	882,624	-	882,624	-	2a
			Total ALN 84.027:	6,606,334	-	6,606,334	-	
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, EDUCATION, DEPARTMENT OF (via WA OSPI)	Special Education Preschool Grants	84.173	84.173A - AD5125	106,395	-	106,395	-	2a
			Total Special Education Cluster (IDEA):	6,712,729	-	6,712,729	-	
Office of Career, Technical, and Adult Education, EDUCATION, DEPARTMENT OF (via WA OSPI)	Career and Technical Education -- Basic Grants to States	84.048	V048A220047 - AD3922	154,078	-	154,078	-	2a
Office of Career, Technical, and Adult Education, EDUCATION, DEPARTMENT OF (via WA OSPI)	Career and Technical Education -- Basic Grants to States	84.048	V048A220047 - AD4154	45,280	-	45,280	-	2a
			Total ALN 84.048:	199,358	-	199,358	-	

The accompanying notes are an integral part of this schedule.

Lake Washington School District No. 414
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, EDUCATION, DEPARTMENT OF	Indian Education Grants to Local Educational Agencies	84.060	84.060A - S060A231113	-	62,919	62,919	-	
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, EDUCATION, DEPARTMENT OF (via WA OSPI)	English Language Acquisition State Grants	84.365	84.365A - AD5201	620,930	-	620,930	-	2a
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, EDUCATION, DEPARTMENT OF (via WA OSPI)	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	84.367A - AD5201	388,918	-	388,918	-	2a
EDUCATION, DEPARTMENT OF, EDUCATION, DEPARTMENT OF (via WA OSPI)	COVID 19 - Education Stabilization Fund	84.425	84.425W - 459553	1,095	-	1,095	-	2a
Head Start Cluster								
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via ESD No. 121)	Head Start	93.600	0102500062	800,953	-	800,953	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via ESD No. 121)	Head Start	93.600	7112500027	68,251	-	68,251	-	
Total Head Start Cluster:				869,204	-	869,204	-	

The accompanying notes are an integral part of this schedule.

Lake Washington School District No. 414
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2025

	Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
					From Pass- Through Awards	From Direct Awards	Total		
	FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	17414	-	217,500	217,500	-	5
Total Federal Awards Expended:					12,720,402	280,419	13,000,821	-	

The accompanying notes are an integral part of this schedule.

**Lake Washington School District #414
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2025**

NOTE 1 – BASIS OF ACCOUNTING

This Schedule is prepared on the same basis of accounting as the Lake Washington School District financial statements. The Lake Washington School District uses the accrual basis of accounting.

NOTE 2 – FEDERAL INDIRECT RATE/FEDERAL De MINIMIS INDIRECT COST RATE

- a) The Lake Washington School District claimed indirect costs under this grant using its federal restricted rate of 3.33%.
- b) The Lake Washington School District claimed indirect costs under this grant using its federal unrestricted rate of 11.36%.

The Lake Washington School District has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – NON CASH AWARDS

The amount of food commodities reported on the Schedule is the market value received by the Lake Washington School District during the current year. The value is determined by the USDA.

NOTE 4 – SCHOOL WIDE PROGRAMS

The Lake Washington School District operates a “schoolwide program” in two elementary buildings. Using federal funding, schoolwide programs are designed to upgrade an entire educational program within a school for all students, rather than limit services to certain targeted students.

NOTE5 - FEMA DISASTER ASSISTANCE

The amount of \$217,500 on the schedule includes eligible expenditures incurred in 2024-2025 that will be reimbursed in 2025-26 for federal disaster relief. (ALN 97.036)

ABOUT THE STATE AUDITOR'S OFFICE

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