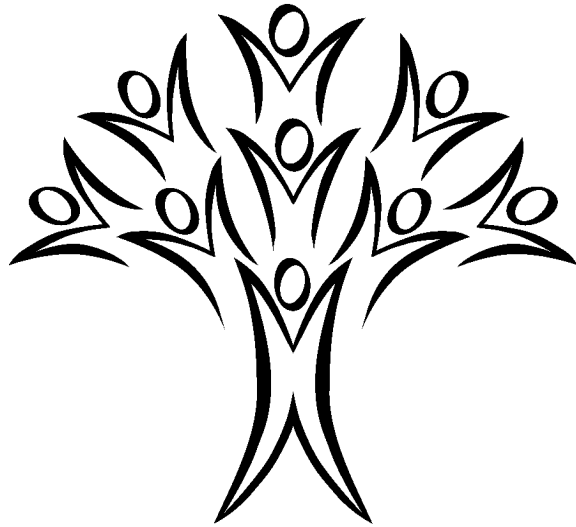




Spokane Public Schools
excellence for everyone

Spokane School District No. 81
Annual Comprehensive
Financial Report
For the fiscal year ended August 31, 2022

Spokane Public Schools
200 N. Bernard Street
Spokane, Washington 99201-0206



Spokane Public Schools
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Spokane School District No. 81
Annual Comprehensive
Financial Report

For the fiscal year ended August 31, 2022

Prepared by the Finance Department
Cindy K. Coleman, Chief Finance and
Business Services Officer

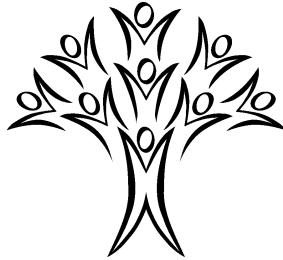
Spokane Public Schools
200 N. Bernard Street
Spokane, Washington 99201-0206

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ANNUAL FINANCIAL REPORT
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Introductory Section

- Directory of Officials
- Organization Chart
- Letter of Transmittal
- GFOA Certificate of Achievement
- ASBO Certificate of Excellence

**SPOKANE PUBLIC SCHOOLS
ANNUAL FINANCIAL REPORT
DIRECTORY OF OFFICIALS
AS OF AUGUST 31, 2022**

Elected Officials

Board of Directors		Term	Expiration
President	Michael Wiser	6 years	November 2023
Vice President	Nikki Lockwood	6 years	November 2025
	Jenny Slagle	6 years	November 2025
	Melissa Bedford`	6 years	November 2027
	Riley Smith	6 years	November 2027

Appointed Officials

Superintendent and Board Secretary	Dr. Adam M. Swinyard
Chief Finance and Business Services Officer	Cindy K. Coleman
Chief Academic Officer	Heather M. Bybee
Chief Human Resource Officer	Jodi M. Harmon
Chief Operations Officer	Shawn D. Jordan
Chief Family & Community Engagement Officer	Dr. Oscar Harris

District Mailing Address

200 North Bernard Street
Spokane, WA 99201-0206

SPS SCHOOL BOARD

Communications

SUPERINTENDENT

21st Century Student Success

Human Resources

LABOR RELATIONS

Certificated
Classified
Collective Bargaining
Staff Input

HR OPERATIONS & STAFFING

Employee Records & Compensation
Employee Services
Legal Compliance & Training
Substitute Services
Hiring

RECRUITMENT, RETENTION & EVALUATION

Recruitment & Retention
Student Teaching
Onboarding
Employee Evaluation

Finance & Business Services

FINANCIAL SERVICES

Fiscal Long-Range Planning
Financial Reporting
Grants Management
Payroll & Benefits
Accounts Payable
Accounts Receivable
Program Budget Support
Enrollment Reporting

BUSINESS & OPERATION SERVICES

Purchasing
Contracts & Agreements
Property Management
Warehouse
Public Records
Printing & Mail Services
Childcare Program Billing
Secretarial Support

Teaching & Learning

TECHNOLOGY & INFORMATION

Assessment
Educational Technology
Technology Services
Technology Support
District Data

CURRICULUM & INSTRUCTION

Elementary Curriculum
Secondary Curriculum
Career & Technical Education
College & Career Readiness
Summer & After school Programming
Blended & Virtual Learning
Professional Development

LEARNING SUPPORT

Special Education
English Language Development
Special Programs
Highly Capable
Student Services
Early Learning
Express Childcare
Behavioral Health Services

SCHOOL IMPROVEMENT

Elementary Schools
Secondary Schools
Option Schools/
Programs

BUILDING SUPERVISION

Administrator Hiring
Administrator Evaluation
Administrator Training
Athletics
Extracurricular

District Operations, Capital, & Facilities

CAPITAL PROJECTS & FACILITY SERVICES

Major Construction Projects
Annual Capital Projects
Architectural & Engineering Services
Custodial Services
Maintenance Services
Event Services

DISTRICT OPERATIONS

Campus Safety
Transportation
Liability Insurance
Health Services
Risk Management
Nutrition Services

Family & Community Engagement

COMMUNITY RELATIONS

District Partnerships
Volunteer Services
Workforce Diversity
Grant Acquisition
Equity Training

FAMILY SERVICES

Mentoring & Diversion Programs
Family Liaison & Mediation Services
Stakeholder Input & Work groups
Community & Social Services Liaison



Spokane Public Schools
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SPS Central Office Services

Administration
200 North Bernard Street
Spokane, WA 99201-0282

phone (509) 354-7395
fax (509) 354-5959
www.spokaneschools.org



May 31, 2023

To the Citizens of Spokane Public Schools:

The Annual Comprehensive Financial Report of Spokane School District No. 81, commonly known as Spokane Public Schools, for the fiscal year ended on August 31, 2022, is hereby submitted. Responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the school district's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the school district's financial activities are included.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The school district's MD&A can be found immediately following the report of the independent auditors.

The Annual Comprehensive Financial Report is presented in three sections as described below:

The **introductory section** includes this transmittal letter, an organization chart, a directory of school district officials, and copies of certificates of excellence on prior year reports. This section is intended to provide a summary of financial transactions, an overview of the school district as one entity, and a summary of other significant facts for trends related to the school district.

The **financial section** includes the MD&A, government-wide and fund financial statements, fiduciary fund financial statements, notes to the financial statements, required supplemental information (RSI), supplemental information other than the MD&A, as well as the independent auditor's report on the financial statements.

The **statistical section** includes selected financial and demographic information, presented on a multi-year basis, where possible. This section is intended to provide additional financial and non-financial information relevant to the school district. This section is unaudited.

The School District

School districts in Washington State are municipal corporations empowered to provide elementary and secondary educational services. Their operations are supported primarily by state funds, federal grants and excess property taxes (the most significant local revenue source). Spokane Public Schools is an independent entity governed by a five-member Board of Directors elected by the voters within the school district. The chief administrative officer is a superintendent selected by the Board of Directors. Along with traditional elementary, middle and high schools, Spokane Public Schools offers various other educational options including professional/technical training, alternative

learning experiences, Montessori, blended learning, dual-language and online learning.

Spokane Public Schools is located in Spokane County. The school district’s boundaries encompass 95 square miles, including most of the City of Spokane. The school district operates thirty-four elementary schools, eight middle schools, five high schools, a vocational skill center, and a number of special programs at multiple sites. The school district is the third largest in the state of Washington.

Major Initiatives and Recognitions

The district mission is to develop the skills and talents of all students through rigorous learning experiences, supportive relationships and relevant real-life applications. The mission statement and 2022-28 strategic plan provide guidance in all aspects of administrative decision making.

As part of the district’s efforts to provide expanded educational options for students, the district offers K-8 Montessori, a K-5 Spanish immersion program, an Alternative Parent Participation Learning Experience (APPLE) program, a Parent Partnership Program, a Highly Capable magnet program, synchronous and asynchronous online learning and a Skill Center focused on technical education.

Staff and Labor Relations

As of October 1, 2022, the headcount of school district employees includes 2,398 certificated staff members, 1,336 classified staff members, and 187 administrators. In addition, the school district employs numerous substitute and part-time employees throughout the year. The majority of employees, who are eligible under state law to be represented by a labor organization, are employed under provisions of negotiated contracts with four labor organizations.

The school district enters into written bargaining agreements with each of the labor organizations. Agreements contain provisions on matters such as salaries, vacation, sick leave, medical and dental insurance, working conditions and grievance procedures. Following are the exclusive bargaining representatives for represented employees:

<u>Bargaining Representatives</u>	<u>Employees</u>	<u>Contract Expires</u>
Spokane Education Association	3,583	August 31, 2025
Spokane Principals’ Association	88	June 30, 2025
International Brotherhood of Electrical Workers	13	August 31, 2025
United Association of Plumbers and Steamfitters	19	August 31, 2023

Community Support

The school district has been fortunate to have overwhelming support of the voters for educational program maintenance levies. The school district passed a three-year maintenance and operations levy in February 2021 with 64% voting yes. In November 2018, the school district passed a \$495,300,000 facility and technology improvement bond with 69.3% voting yes.

Charter Schools

Charter schools were authorized under ESSB 6194 in April 2014. Under state law, a charter school must be authorized by the Charter School Commission or the local School District. Spokane Public Schools serves as an authorizer and has authorized two charter schools, PRIDE Prep and Lumen, to operate within district boundaries. Each Charter School has its own Board of Directors, administration, staff and facilities. Public funding for these schools is based upon enrollment, just like traditional public schools. Additional funding for charter schools comes from grants and donations.

As an authorizer, the district has the responsibility to review, approve or reject charter school applications, enter into contracts with organizations seeking to operate charter schools and provide

oversight of the charter schools and receives a 3% authorizer fee for this responsibility. The district has no financial obligation to the charter schools nor is the district responsible for the operations of the charter schools.

Economic Condition and Outlook

Spokane County was formed in 1879. The county comprises a total land mass of 1,763 square miles in the eastern portion of the state, bordering the state of Idaho. Spokane County’s borders match those of the Spokane Metropolitan Statistical Area (MSA). The county seat is located in the City of Spokane.

Spokane, a city whose name to the early Native Americans meant "Children of the Sun," is located in eastern Washington, 18 miles from Idaho, 110 miles from Canada, and 281 miles from Seattle. A clean, clear river runs through Spokane, the second largest city in the state of Washington.

The people who live here enjoy a pleasant climate of four distinct and beautiful seasons. With each season comes the opportunity to experience many recreational activities in Spokane and the surrounding area.

Riverfront Park is the focal point for a vibrant downtown, retail, and services district attracting many entertainment and arts festivities. The City has focused on development of the downtown area, including River Park Square Mall, the Davenport Hotel, the Spokane Convention Center, the Grand Hotel Spokane, Riverfront Park, The Podium, (a new multi-use sports facility), and much more. The convention center supports a variety of large events for visitors and the local community.

Spokane serves as the health care and higher education hub of the Inland Northwest, with six medical centers and six universities and colleges located in and around the city. Spokane is characterized as either a "big town" or a "small city," but everyone agrees its greatest resource is the quality of life. Spokane was named as one of the Top 100 Best Places to Live in America by Livability.com each year since 2019.

Population

The following table shows the county and the City of Spokane (the county’s largest city) populations:

<u>Fiscal Year</u>	<u>Spokane County</u>	<u>City of Spokane</u>
2013	480,000	211,300
2014	484,500	212,300
2015	488,310	213,100
2016	492,530	214,500
2017	499,800	217,300
2018	507,950	220,100
2019	515,250	222,000
2020	539,339	228,989
2021	542,100	229,400
2022	550,700	230,900

Source: Washington State Office of Financial Management, U.S. Department of Commerce, Bureau of Economic Analysis, and U.S. Census Bureau

Economic Overview

Anchored by the City of Spokane, Spokane County has the largest population and labor force among Washington counties east of the Cascades. Relative growth in the surrounding counties, such as

Whitman and Lincoln - not to mention in northern Idaho, western Montana, and parts of British Columbia - has contributed to growth in Spokane County since it is the center of business and financial activity for most of the Inland Northwest region.

The Spokane regional economy is diverse and supports a number of industries. The COVID-19 pandemic created some job loss; however, the industries listed as essential and therefore not shut down were the same industries that were experiencing growth before the pandemic. The industries with the highest job growth are transportation/warehousing; advanced manufacturing; financial/insurance services; and information technology. Health services and education were impacted by the pandemic but are now showing growth. Spokane County will continue to be heavily invested in advanced manufacturing and materials, energy-related, information technology and digital services, logistics and distribution and higher education. The health sciences and medical school development has been a game changer for the Spokane area. As the population continues to grow, so will the government and education sectors as they respond to rising service demands.

Over the last decade, the City has invested significant resources in downtown redevelopment expansion to include commercial property, parks, and convention facilities. This growth in the downtown core is continuing with a new downtown stadium, improvements to infrastructure and continued expansion of educational facilities in the University District adjacent to downtown Spokane.

Fairchild Air Force Base (Fairchild) is located west of the City. As the county's largest employer (including military and civilian employees and their dependents), Fairchild contributes significantly to the Spokane economy.

Financial Information

Management of the school district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the school district are protected from losses, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefit likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the school district's internal accounting controls adequately safeguard assets and provide reasonable assurance of accurate recording of financial transactions.

As a recipient of federal and state financial assistance, the school district is required to undergo a single audit in conformity with provisions of the Single Audit Act of 1984 and all applicable amendments, and U.S. Office of Management and Budget, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards at 2 CFR 200. The Washington State Auditor's Office performs the annual audit of the school district in compliance with the Single Audit Act.

The analysis of balances and transactions of the individual funds will be presented in detail in the MD&A.

Financial policies and budgetary control

Legal requirements for school district budgets are established in state law, with rules and regulations promulgated by the State of Washington Office of the Superintendent of Public Instruction (OSPI),

regarding budgetary procedures and practices by local school districts. The adopted regulations ensure proper budgetary procedures and practices by the school district. In addition to budgetary policies, OSPI publishes *The Accounting Manual for Public School Districts of the State of Washington*. The accounting manual governs the accounting procedures for the school district.

As required by state law, the school district Board of Directors adopts a budget annually in the format prescribed by OPSI including budget classifications in accordance with *The Accounting Manual for Public School Districts in the State of Washington* to include a four-year budget forecast for the general fund and four-year enrollment projection. The budget document includes estimated revenues and expenditures, for all governmental funds, for the budgeted fiscal year, the fiscal year current at the time of budget preparation, actual revenues and expenditures for the last completed fiscal years, and the respective fund balances (committed, assigned and unassigned). While the adopted four-year budget forecast indicates negative operations, the District is implementing budget adjustments to reflect sustainable operations; adjustments that align with District financial stewardship goals and Board expectations. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The school district maintains an encumbrance accounting system as one technique of accomplishing budgetary control. The Board of Directors monitors the budget through interim financial reports from school district management.

The direction for school district budget preparation is established annually by the Board of Directors through affirmation of Budget Planning Standards and School Board priorities (standards). The standards direct management to: focus financial resources on programs that directly support the district’s strategic plan and student achievement; maintain a safe learning and working environment for students and staff; sustain staff, parent and community support; maintain the district’s financial integrity, human capital; retain an essential level of support services for district operations; assure revenue generating programs break-even; and to ensure budget decisions are student focused, practical, sustainable, timely, cost effective, legal, commensurate with student enrollment, and are evaluated on an ongoing basis, based on the standards. Specific to the financial integrity standard, the Board of Directors adopted Policy 6022 – Minimum Fund Balance, which provides a target of minimum committed, assigned and unassigned (CAU) fund balance to be in the range of 5-6%.

Enrollment

Historical and projected headcount for October enrollment is shown in the following table:

Historical		Projected	
October 1, 2022	28,679	October 1, 2027	24,476
2021	28,491	2026	25,242
2020	28,414	2025	25,942
2019	30,127	2024	27,476
2018	30,167	2023	28,131

Source: OSPI Report 1049, Determination of Projected Enrollments School Year 2022-2023

Construction and Renovations

The school district has developed a long-range capital improvement program. The long-range capital plan includes modernization and preservation of existing facilities and infrastructure as they approach the end of their useful life, technology replacement and improvements at all schools, security upgrades and regulatory matters at all schools. The average age of district facilities is 40 years.

On November 6, 2018, voters approved issuance of \$495,300,000 of bonds to fund long-range capital improvements. \$100 million of bonds from the 2018 authorization combined with \$46

million remaining from the 2015 voter authorization were sold in February 2019 to begin construction of three new middle schools, replacing or renovating three existing middle schools and two alternative schools, an addition to one high school and purchase of land. In December 2022 \$91.2 million of bonds were sold to fund the continuing construction.

The district credit rating has remained stable at an Aa3 rating from Moody's Investors Service and an AA rating from Standard and Poor's.

Independent Audit

Washington State law requires an audit of the financial records and transactions of all school districts to be performed by the Office of State Auditor. For large school districts, including Spokane Public Schools, the audit is performed annually. The scope of the audit concentrates on the following areas:

1. Management Section: report on compliance with laws and regulations and report on the internal control structure.
2. Financial Section: report on financial statements in accordance with Generally Accepted Accounting Principles.
3. Single Audit Section (2 CFR 200): report on financial statements, internal control, compliance, audit findings and questioned costs.

The district has complied with these requirements and the auditor's opinion has been included in this report.

Certificates of Excellence


This report has been prepared following guidelines recommended by the Government Finance Officers Association (GFOA) of the United States for its Certificate of Achievement for Excellence in Financial Reporting program and also following guidelines recommended by the Association of School Business Officials International (ASBO) for its Certificate of Excellence in Financial Reporting. The school district was recognized by both organizations for the last nineteen years' submissions. Both awards are valid for a period of one year only. We believe the current report conforms to the ASBO and GFOA requirements, and we will submit it for determination of its eligibility for renewed awards.

Acknowledgements

The preparation of the annual financial report was made possible by the dedicated efforts of the finance department. We would also like to thank the school district print shop for their support and professionalism in the preparation of this report.

In closing, we would like to thank the Board of Directors for their interest and support in planning and conducting the operations of the district in a responsible manner.

Respectfully submitted,



Adam M. Swinyard, Ed.D.
Superintendent



Cindy K. Coleman, CPA
Chief Finance and Business Services Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Spokane School District No. 81
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2021

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Spokane Public Schools

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended August 31, 2021.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.

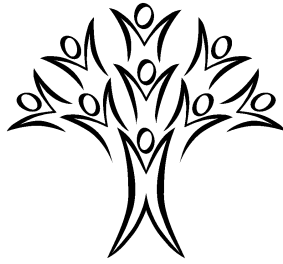


A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Spokane Public Schools
excellence for everyone

Financial Section

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
 - ◆ Government-Wide Financial Statements
 - ◆ Governmental Fund Financial Statements
 - ◆ Fiduciary Fund Financial Statements
 - ◆ Notes to the Financial Statements
- Required Supplementary Information
- Supplemental Information



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

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE
FINANCIAL STATEMENTS**

Board of Directors
Spokane School District No. 81
Spokane, 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 Spokane School District No. 81 as of and for the year then ended August 31, 2022, 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 Spokane School District No. 81, as of August 31, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 2022, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

As discussed in Note 16 of the financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the School District is unknown. Management's plans in response to this matter are also described in Note 16. 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 as 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 Comparative Balance Sheets and Budget to Actual Schedules are presented for purposes of additional analysis and are 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. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Information

The other information comprises the Introduction and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon. In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated May 30, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the District's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in cursive script that reads "Pat McCarthy".

Pat McCarthy, State Auditor

Olympia, WA

May 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Spokane Public School's financial performance provides an overview of the school district's financial activities for the fiscal year ended August 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information presented in the financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The district's total net position of governmental activities as of August 31, 2022, was \$183.1 million. During the year, the district had revenues of \$593.3 million and expenses of \$554.6 million incurred for all governmental activities. The results of operations resulted in an increase to Net Position of \$38.7 million.
- The district's governmental funds as of August 31, 2022, reported a combined ending fund balance of \$147.9 million, a decrease of \$142.2 million compared to the prior year.
- The General Fund total fund balance was \$65.8 million reflecting an increase of \$14.3 million. The General Fund balance represents 13.1% of General Fund expenditures. Of the \$65.8 million in fund balance, \$50.6 million is available for spending at the district's discretion (assigned and unassigned fund balance). The discretionary General Fund balance represents 10.1% of General Fund expenditures.
- The average student enrollment increased by 61 full time equivalent (FTE) students as compared to 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's 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 (fiduciary funds) 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 SCHOOL DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

Our analysis of the school district begins in the *government-wide financial statement* section. Is the district as a whole better off or worse off because of the year's activities? The *statement of net position* and the *statement of activities* report information about the district as a whole and about its activities in a way that helps answer this question. The financial statements of the district present a better financial position as reflected in the *statement of net position*. These statements include all assets, liabilities, deferred outflows of resources and deferred inflows of resources using the accrual basis of accounting, similar to the accounting used by most private-sector companies. All current year revenues and expenses are considered regardless of when cash is received or paid.

These two statements report the district's net position and changes in the position. The district's net position (the difference between assets, liabilities, deferred outflows of resources and deferred inflows of resources) may be viewed as one way to measure the district's financial health. 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*, we present governmental activities. The district's basic services, including associated student body, debt service, and capital projects are reported here. Revenue from state and federal grants, property taxes, and other miscellaneous private sources finance most of these activities.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Governmental Funds Financial Statements

Our analysis of the school district's major funds begins in the governmental funds financial statement section. The governmental funds financial statements provide detailed information about the most significant funds - not the district as a whole. Some funds, such as the Special Revenue Fund (Associated Student Body Fund), are required and established consistent with state law.

Governmental Funds – All of the district's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed *short-term* view of the district's general education and support operations and the basic services. Governmental funds information helps determine whether there are more or less financial resources that can be spent in the near future to finance the district's programs. We describe the relationship (or differences) between governmental activities (reported in the *statement of net position* and the *statement of activities*) and governmental funds in the reconciliation presented in exhibit 3A and exhibit 4A of the basic financial statements and in Note 2 of the financial statements.

THE SCHOOL DISTRICT AS TRUSTEE

Reporting the School District's Fiduciary Responsibilities

The district is the trustee, or fiduciary, for individuals, private organizations, and other governments for scholarships and other specific purposes. All the district's fiduciary activities are reported in a separate *statement of fiduciary net position* and *changes in fiduciary net position* under the fiduciary financial statement section. We exclude these activities from the district's other financial statements because the district cannot use these assets to finance day-to-day operations. The district is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

THE SCHOOL DISTRICT AS A WHOLE (Government-Wide Financial Statements)

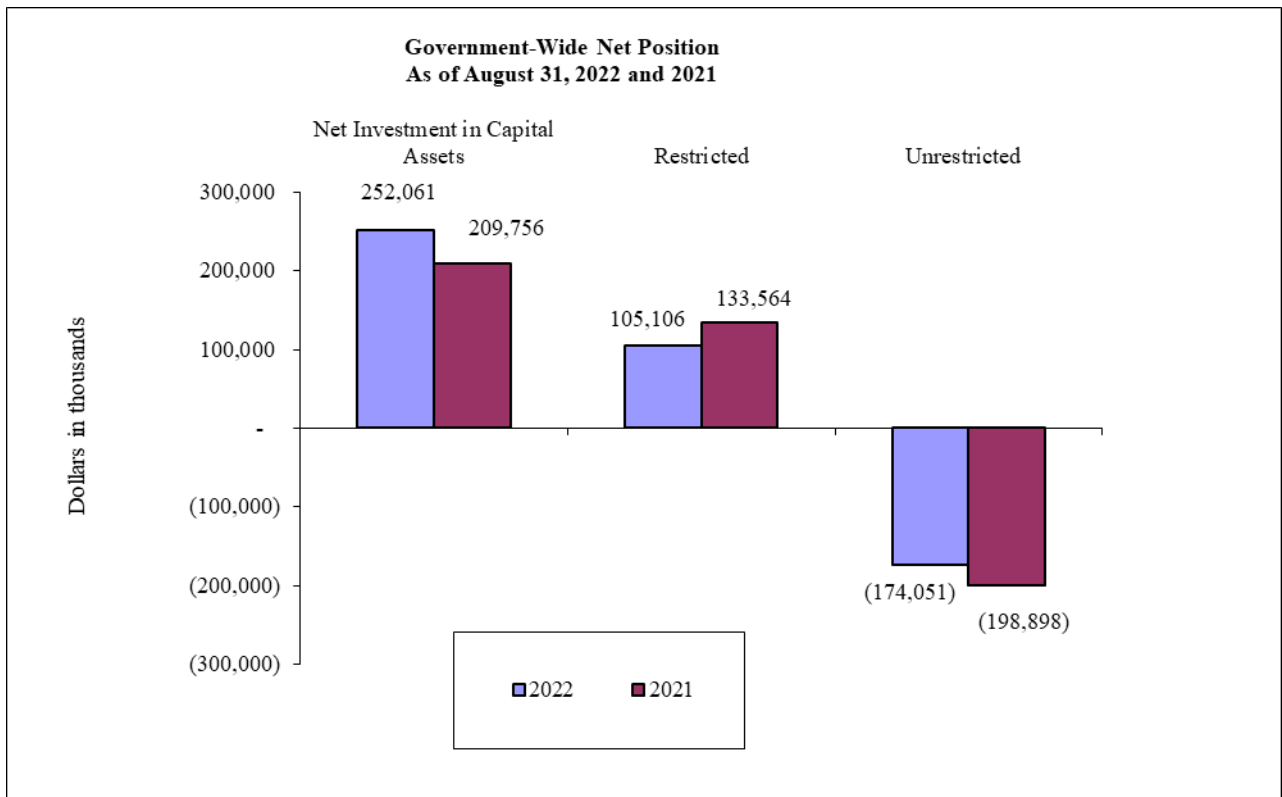
In 2021-2022 revenues exceeded expenses by \$38.7 million as compared to \$89.5 million in the prior year. Our analysis focuses on the net position and changes in net position of the district's governmental activities.

The net position of the district's governmental activities increased by \$38.7 million. The district increased capital assets by \$127.1 million net of depreciation. The capital additions were financed by long term debt issued in the prior year and state funding. Increased liabilities for pension and other post-employment benefits were partially offset by a decrease in serial bonds payable and unamortized premium resulting in a \$8.5 million increase to long-term liabilities.

Unrestricted net position reflects funds that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. The unrestricted net position of the district is negative \$174.1 million. The net position of \$105.1 million is restricted under legal obligations (for debt payments and other contractual obligations) and \$252.1 million is net investment in capital assets.

**Government-Wide Net Position
As of August 31**

	2022	2021
Current and Other Assets	\$ 282,312,822	\$ 498,411,866
Capital Assets	861,296,161	734,210,363
Total Assets	1,143,608,983	1,232,622,229
Total Deferred Outflows	114,691,436	79,962,177
Other Liabilities	71,905,737	65,628,261
Long-Term Liabilities	917,995,432	909,538,247
Total Liabilities	989,901,169	975,166,508
Total Deferred Inflows	85,283,504	192,996,163
Net Investment in Capital Assets	252,060,604	209,755,574
Restricted	105,106,490	133,564,314
Unrestricted	(174,051,348)	(198,898,153)
TOTAL NET POSITION	\$ 183,115,746	\$ 144,421,735



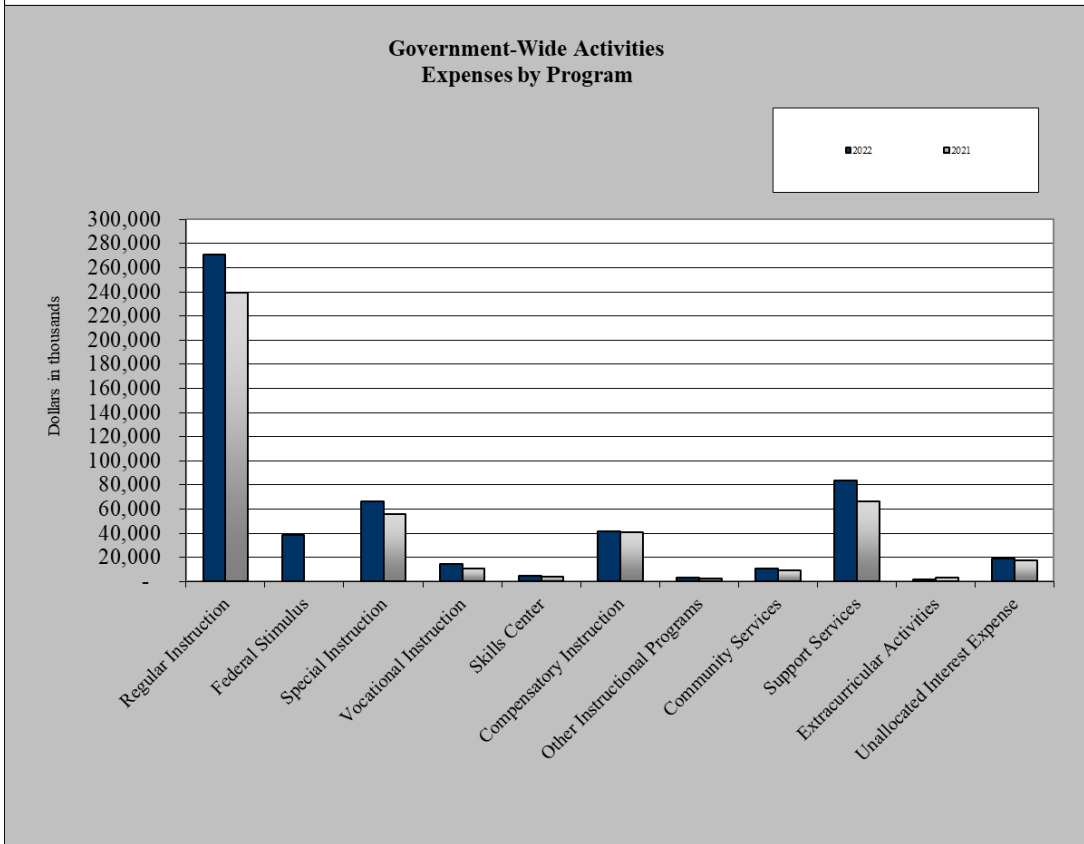
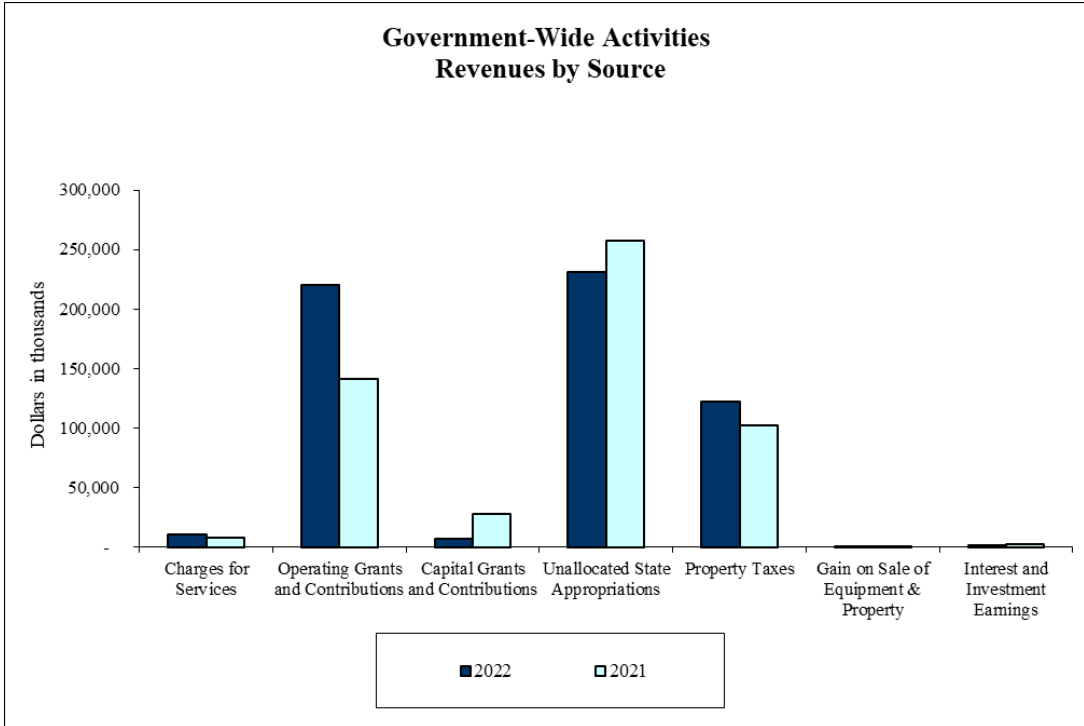
The 2021-2022 total revenues of \$593.3 million exceed total expenses of \$554.6 million by \$38.7 million. Total revenues were up due to increased general revenues from property taxes and operating grants and contributions. This increase reflects federal COVID-19 funding and the state's investment of additional basic education resources for salaries, instruction, student support and materials through grant awards. The increase in property taxes represents the increase in the educational program and operations levy approved by voters in 2018 and bond. Expenses increased by \$103.9 million in 2021-22, primarily due to increased costs associated with district additional needs as students returned to the classroom after the COVID-19 pandemic. Many of the additional costs were funded with federal grant funds.

**Government-Wide Changes in Net Position
PRIMARY GOVERNMENT
For the Year Ended August 31**

	2022	2021
Program Revenues:		
Charges for Services	\$ 10,435,545	\$ 7,730,098
Operating Grants and Contributions	220,256,406	141,294,758
Capital Grants and Contributions	7,012,638	27,684,794
General Revenues:		
Property Taxes	122,662,108	102,857,301
Unallocated State Appropriations	230,956,189	258,011,751
Gain on Sale of Equipment & Property	113,380	37,157
Interest and Investment Earnings	1,882,614	2,601,027
TOTAL REVENUES	593,318,880	540,216,886
PROGRAM EXPENSES:		
Regular Instruction	270,947,303	239,413,519
Federal Stimulus	38,621,148	-
Special Instruction	66,626,347	56,140,296
Vocational Instruction	14,192,282	10,867,482
Skills Center	4,728,921	4,187,226
Compensatory Education	41,331,338	40,829,472
Other Instructional Programs	2,972,224	2,644,925
Community Services	10,755,001	9,436,617
Support Services	83,933,101	66,130,598
Extracurricular Activities (ASB)	1,405,777	3,463,562
Unallocated Interest Expense	19,111,427	17,653,065
TOTAL EXPENSES	554,624,869	450,766,762
Increase (Decrease) in Net Position	38,694,011	89,450,124
Net Position - Beginning	144,421,735	54,971,611
Ending Net Position	\$ 183,115,746	\$ 144,421,735

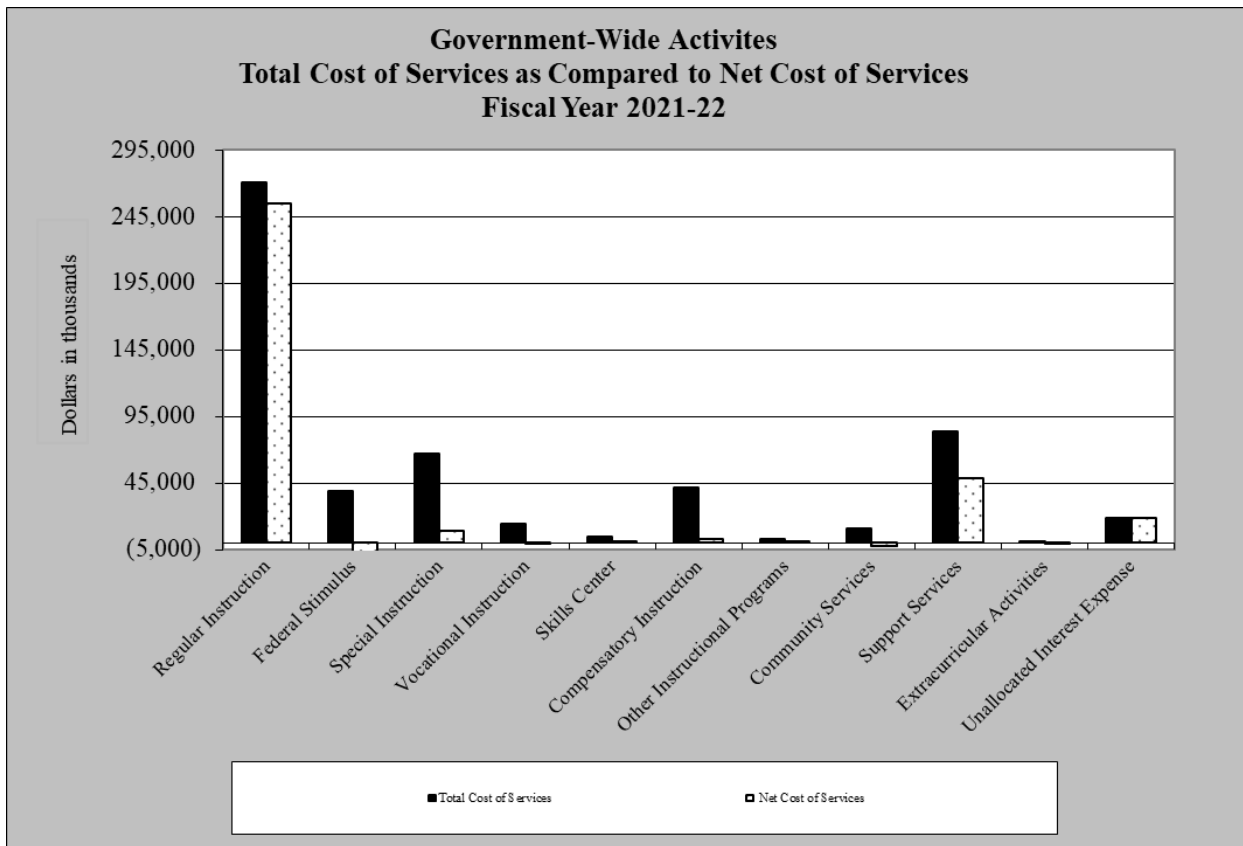
Government-Wide Activities

Revenues by source and the costs of the district, including the district’s largest programs consisting of regular instruction, special instruction, vocational instruction, compensatory instruction, and support services are presented below. On the following page each program’s net cost (total cost less revenues) is presented. The net cost shows the fiscal impact of these programs. The net cost of services is funded by the school district’s revenue sources as presented on the following charts and tables.



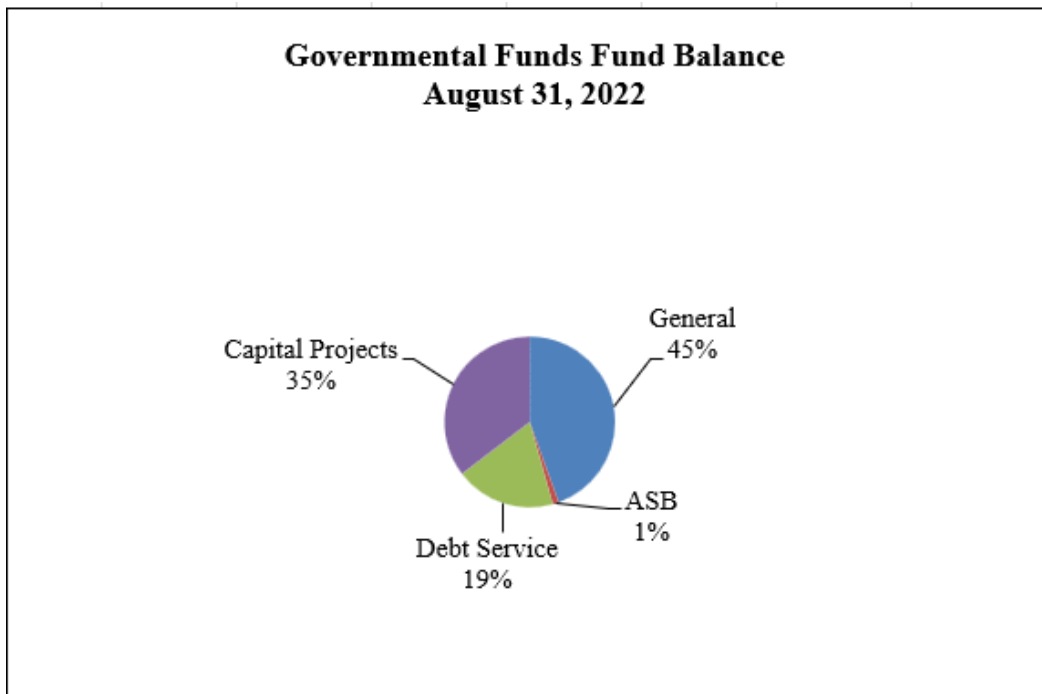
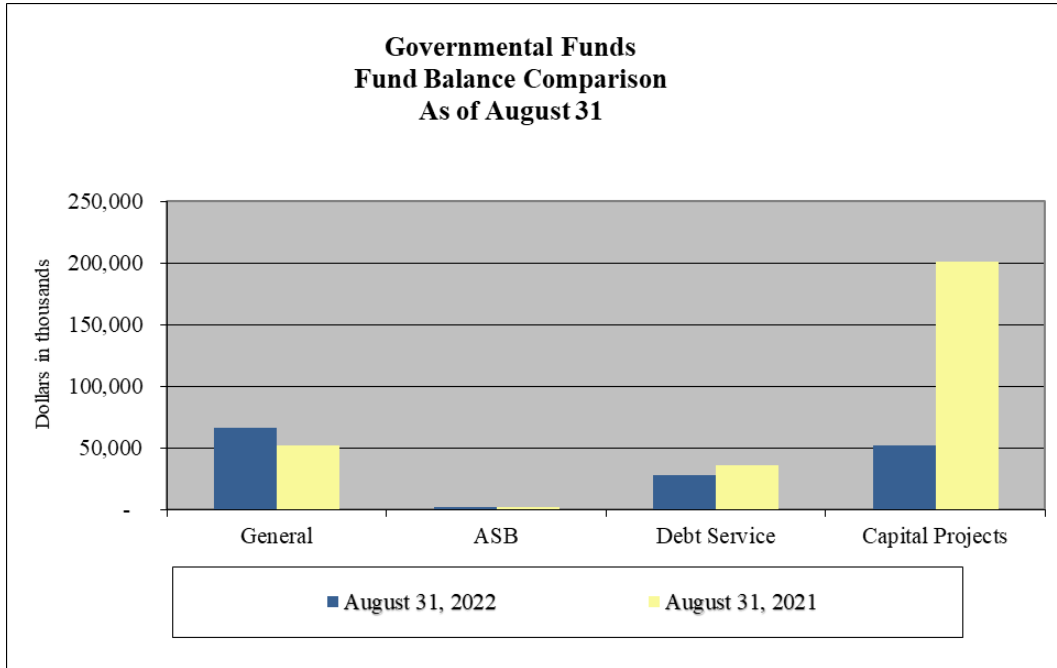
Government-Wide Activities
Net Cost of Services
For the year ended August 31, 2022

	Program Revenues	Total Cost of Services	Net Cost of Services
Regular Instruction	\$ 15,909,920	\$ 270,947,303	\$ (255,037,383)
Federal Stimulus	54,769,465	38,621,148	16,148,317
Special Instruction	57,468,752	66,626,347	(9,157,595)
Vocational Instruction	14,684,171	14,192,282	491,889
Skills Center	4,396,835	4,728,921	(332,086)
Compensatory Instruction	38,678,146	41,331,338	(2,653,192)
Other Instructional Programs	1,983,187	2,972,224	(989,037)
Community Services	13,224,473	10,755,001	2,469,472
Support Services	35,051,072	83,933,101	(48,882,029)
Extracurricular Activities	1,538,568	1,405,777	132,791
Unallocated Interest Expense	-	19,111,427	(19,111,427)
Totals	\$ 237,704,589	\$ 554,624,869	\$ (316,920,280)



THE SCHOOL DISTRICT'S FUNDS (Fund Financial Statements)

At the end of the 2022 fiscal year, total governmental fund balance was \$147.9 million (as presented in the balance sheets under the governmental financial statement section), which is \$142.2 million less than last year's fund balance of \$290.1 million. This decrease is primarily a result of expenditures of bond funds in the capital projects fund. (See Exhibit 4) As presented in the bottom chart below, the General Fund comprises 45% and the Capital Projects Fund comprises 35% of total fund balance on August 31, 2022.



The table below presents a summary of the General Fund revenues and expenditures for fiscal years 2022 and 2021. The significant changes are explained below the table. A graphical presentation of revenues and expenditures follows.

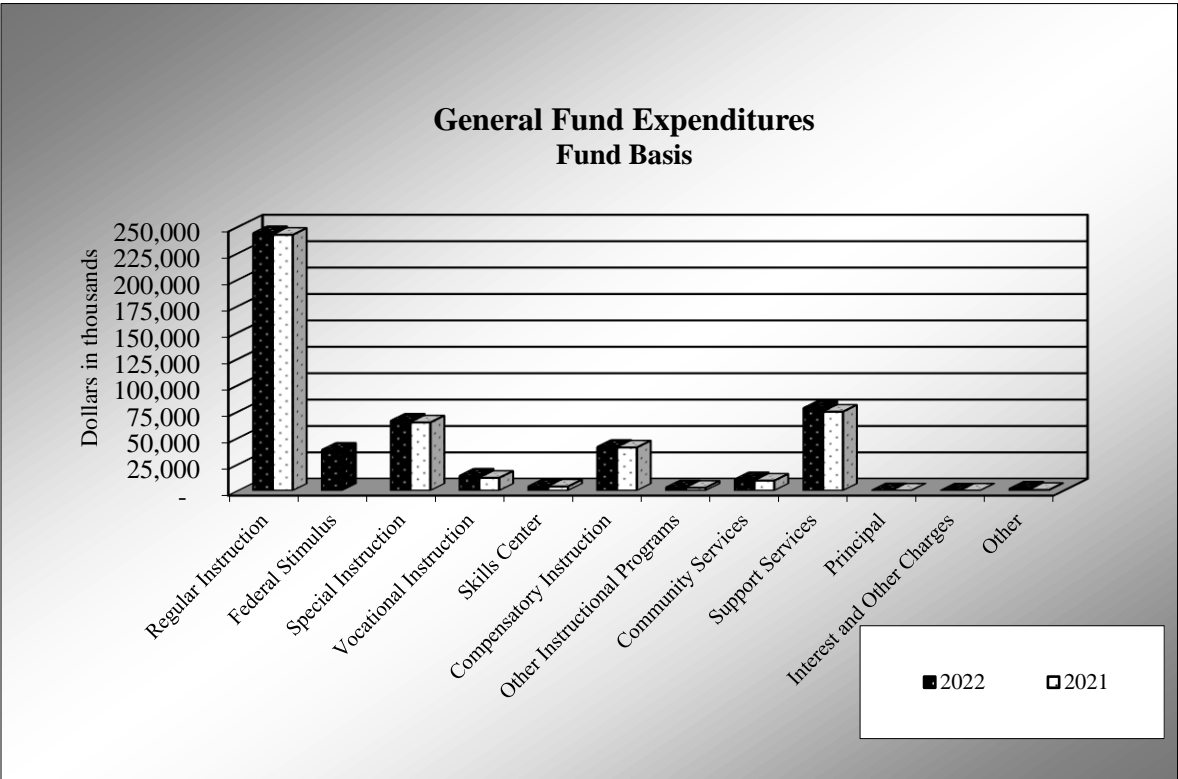
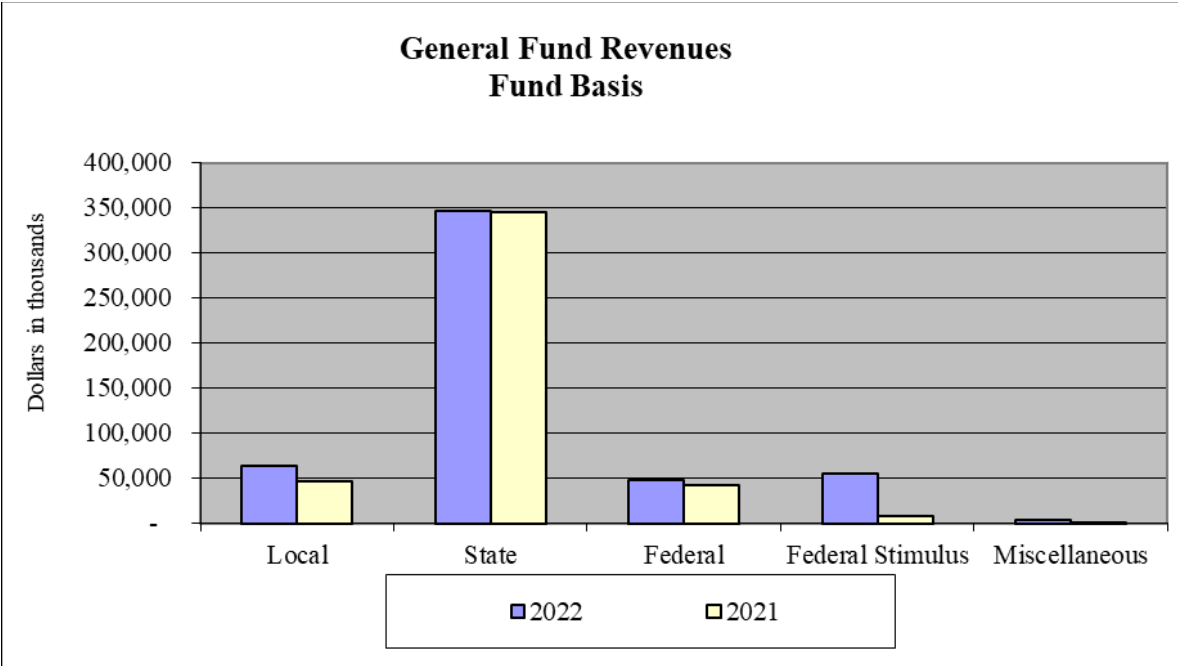
**General Fund
For the Year Ended August 31**

	<u>2022</u>	<u>2021</u>	<u>Percent Change</u>
Revenues			
Local	\$ 63,654,213	\$ 46,878,489	35.79%
State	345,898,400	345,649,235	0.07
Federal	47,501,663	42,635,535	11.41
Federal Stimulus	54,769,465	7,963,095	587.79
Miscellaneous	2,913,484	1,402,115	107.79
Total Revenues	<u>\$ 514,737,225</u>	<u>\$ 444,528,469</u>	<u>15.79%</u>
Expenditures			
Regular Instruction	\$ 243,771,443	\$ 242,203,914	0.65%
Federal Stimulus	38,621,148	-	-
Special Instruction	66,138,300	64,489,530	2.56
Vocational Instruction	14,087,788	12,057,362	16.84
Skills Center	4,012,472	3,841,960	4.44
Compensatory Instruction	41,331,338	40,829,472	1.23
Other Instructional Programs	2,972,224	2,620,848	13.41
Community Services	10,755,001	9,436,617	13.97
Support Services	78,194,907	74,662,729	4.73
Debt Payment			
Principal	248,619	-	-
Interest and Other Charges	8,316	-	-
Capital Outlay			
Other	1,762,538	563,476	212.80
Total Expenditures	<u>\$ 501,904,094</u>	<u>\$ 450,705,908</u>	<u>11.36%</u>

Local revenues increased during the year. The increase in local funding reflects the educational program and operations levy approved by voters in 2018.

Federal Stimulus revenues represent the district's federal COVID relief funding. It consists of allocations from the Coronavirus Aid, Relief, and Economic Security Act (CARES), the Elementary and Secondary School Emergency Relief Fund (ESSER Fund), and American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER). These funds were used to restore and maintain high-quality learning environments, and to take comprehensive action to mitigate learning loss and unique needs due to COVID-19.

The capital outlay expenditures represent the district's commitment to maintaining district facilities and equipment at an acceptable level. The district has been monitoring the budget very closely and has developed a process for requesting and prioritizing the purchases of capital equipment in the General Fund. The amount presented for each year reflects procurement of the highest priority items.



The table below presents a summary of the Capital Projects Fund. The district is in the fourth phase of the long-range capital improvement plan. Under this plan, the district continues to renovate or replace district facilities. Funding for projects has been provided through the use of funds in bonds issued and a state matching program.

**Capital Projects Fund
For the Year Ended August 31**

	<u>2022</u>	<u>2021</u>	<u>Percent Change</u>
Revenues			
Local	\$ 1,005,947	\$ 1,680,839	(40.15%)
State	6,774,560	27,161,781	(75.06%)
Federal	712	138,000	(99.48%)
Total Revenues	<u>\$ 7,781,219</u>	<u>\$ 28,980,620</u>	<u>(73.15%)</u>
Expenditures			
Capital Outlay			
Other	\$ 157,030,044	\$ 135,747,551	15.68%
Total Expenditures	<u>\$ 157,030,044</u>	<u>\$ 135,747,551</u>	<u>15.68%</u>

Other Funds

The Debt Service Fund reflects the collection of property taxes used for payment of bonded debt. See Note 9 for a detail description of debt outstanding.

The Associated Student Body Fund reflects student body activity for the year. Both revenues and expenditures have rebounded to historical trends as activities restarted after the COVID-19 closure. Given the nature of the Associated Student Body Fund, the expenditures will vary from year to year based on the success of athletic teams and non-athletic extracurricular trips that occur.

Budgetary Highlights

Adopted budgeted authority is a prerequisite to expenditures in the governmental funds. The budgeted expenditures lapse at the end of the fiscal year. The board may adopt a revised or supplemental expenditure budget after a public hearing anytime during the fiscal year. There were no board adopted budget revisions during 2021-2022.

Due to reduced state funding and increased post COVID-19 operating costs, the 2021-2022 budget was adopted with a \$7.5 million deficit. The district administration made an intentional decision to manage expenditures resulting in underspend across all expenditure categories, preserve fund balance for future years. A detailed comparison of budget to actual for the General Fund is presented in Schedule A-1.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of the 2021-2022 fiscal year, the district had \$1.3 billion invested in a broad range of capital assets, including technology, equipment, and school buildings. This amount represents a net increase (including additions and deletions) of \$141.6 million or 12.7% percent.

The district has a long-range capital improvement plan that was originally adopted in 2003. The capital plan is financed with General Obligation Bonds. The projects established in the first phase of the plan approved by voters in 2003 are complete. The projects included the renovation of two high schools, replacement of three elementary schools, athletic facility improvements, technology, and infrastructure to support technology.

The second phase of the long-range capital improvement plan was started in 2009 when district voters approved a \$288 million bond. All of those General Obligation Bonds have been sold to fund the second phase of projects. The second phase included replacing or renovating four elementary schools, renovating one high school, replacing one middle school

gymnasium, technology, infrastructure to support technology and a variety of smaller capital improvements across the district.

The third phase of the long-range capital improvement plan was started in 2015 when district voters approved a \$145 million bond. The first installment of the general obligation bonds was sold in December 2015 with the remaining balance of bonds, (\$46,000,000) sold in February 2018. The third phase includes replacing or renovating four elementary schools, replacement of a middle school, replacement of a middle school gymnasium, addition of classrooms at selected sites, technology, infrastructure to support technology and a variety of smaller capital improvements across the district.

The fourth phase of the long-range capital improvement plan was started in 2018 when district voters approved a \$495.3 million bond. The first installment of the general obligation bonds, (\$100,000,000) was sold in February 2019 with the remaining balanced to be issued over the next five years. The fourth phase includes replacing or renovation three middle schools, constructing three new middle schools, replacing On Track Academy, replacing, or renovating Albi Stadium, technology, infrastructure to support technology and a variety of smaller capital improvements across the district.

The district's fiscal year 2021-2022 capital projects budget is \$157.0 million. The budget will be used for construction of the third and fourth phase of bond projects and locally funded projects. Projects funded by bonds authorized by voters in 2015 are scheduled to continue through 2022 and projects funded by bonds authorized by voters in 2018 are scheduled to continue through 2024. The construction in progress of \$177.1 million as of August 31, 2022, consists of bond projects.

Additional information on capital assets is included in the notes to the financial statements, Note 4.

Capital Assets As of August 31, 2022

	Historical Cost	Accumulated Depreciation	Net Capital Assets
Capital Assets, Net of Accumulated Depreciation, where applicable:			
Land	\$ 26,562,046	\$ -	\$ 26,562,046
Land Improvements	48,629,132	29,041,753	19,587,379
Buildings & Improvements	983,907,872	350,212,826	633,695,046
Other Equipment & Machinery	17,268,258	13,939,267	3,328,991
Construction-in-progress	177,068,075	-	177,068,075
Capital Asset Leases, Net of Accumulated Amortization			
Land Improvements	736,700	62,050	674,650
Other Equipment & Machinery	570,854	190,880	379,974
Total	\$ 1,254,742,937	\$ 393,446,776	\$ 861,296,161

Debt

At year end, the district had \$546.2 million in unlimited tax general obligation bonds outstanding. Additional information on debt is included in the notes to the financial statements, Note 9.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The district serves the City of Spokane and some adjacent areas in Spokane County. The economic indicators for the region were showing growth with increased job creation, decreased unemployment, and increasing property values prior to COVID-19. Subsequent to March 2020, when Governor Inslee issued a Stay Home Stay Healthy order, only essential services operated. This initially caused the unemployment rate to increase however as normal operations have resumed in most industries and the unemployment rate has decreased. With the ability for employees to perform remote work, Spokane saw an influx of people relocating or purchasing second homes. The result of this influx has been increases in property assessed values in excess of historical trends. Spokane has not experienced a population outflow as people return to in-person work.

Spokane County is the largest labor market in eastern Washington and northern Idaho. The diversified economy includes logistics and distribution, transportation/warehousing, advanced manufacturing, health services, finance/insurance,

information technology, government including education, and agriculture. The benefit of the diverse economy has resulted in less significant impacts to Spokane than other metropolitan areas.

Manufacturing has a solid base due to the hydropower generation, rail, and interstate highways. Fairchild Air Force Base is the county's largest employer. The health sciences continue to grow with the hospital systems and the University District campuses which train a health care workforce, attract research development and biotechnology, and provide jobs in the health care sector. Health services and education were impacted by the COVID-19 pandemic.

The 2022-2023 expenditures for governmental funds of the district are budgeted at \$796.1 million. The 2022 property tax rate was \$4.52 per thousand dollars of assessed value for the amounts collected in both the General Fund and the Debt Service Fund. The property tax collections for the General Fund represent approximately 12.9% of fund revenues in the 2022-2023 budget.

The district budgeted in the 2022-23 fiscal year for student enrollment to remain at the lower post COVID-19 levels, a budgeted enrollment decrease of 1,802. Actual enrollment for the 2021-2022 school year came in 1,802 students under budget. Due to the COVID-19 pandemic the district has experienced a decline in enrollment, similar to many other districts. Recovery of enrollment lost during the pandemic has shown very slow growth which is expected to continue. It is important to note that the district staffs to the number of students, therefore, the reduced revenue has a corresponding expenditure reduction.

The district has taken a proactive approach to engage the community and staff in establishing priorities to be applied during the budget process. Management held staff meetings, public forums, and online surveys to establish and revise district priorities and strategies to increase enrollment. As the district returns to slow enrollment growth and economic growth in the community, these strategies will be used to direct additional investment of resources. These priorities will be updated as necessary and will inform future budget development.

The school board and district management are committed to maintaining General Fund budgeted fund balance sufficient to provide stability of programs and to maintain sound financial practices. School Board Policy number 6022 – Minimum Fund Balance has a target of minimum committed, assigned, and unassigned (CAU) fund balance in the range of 5-6%. The August 31, 2022, actual General Fund CAU fund balance of \$50.6 million is 10.1% of actual expenditures. The 2022-2023 budget was adopted with a budgeted ending CAU fund balance of 5.3% of budgeted General Fund expenditures. The August 31, 2022, ending fund balance exceeded the budgeted September 1, 2022, beginning fund balance providing additional resources for fiscal year 2023. Future spending plans will be adjusted to sustain the district investments in human capital. The district is taking proactive steps to meet the minimum fund balance goals and sustainable operations. The school board and district management will continue to keep staff and the community involved in the district's budget development process.

Basic Financial Statements

SPOKANE PUBLIC SCHOOLS
STATEMENT OF NET POSITION
AUGUST 31, 2022

	Note #	Primary Government	
		Governmental Activities	
ASSETS			
Cash and Cash Equivalents	1F, 3	\$	187,576,662
Cash with Fiscal Agent	1F		50,000
Property Tax Receivable	1F		55,275,009
Accounts Receivables, Net (less lease receivable)			609,036
Lease Receivable			9,857
Due from Other Governments			21,509,791
Inventories	1F		1,847,907
Prepaid Items			3,825,550
Pension Asset			11,609,010
Capital Assets, Net of Accumulated Depreciation, where applicable:			
Land	4		26,562,046
Land Improvements	4		19,587,379
Buildings & Improvements	4		633,695,046
Other Equipment & Machinery	4		3,328,991
Construction-in-progress	4		177,068,075
Capital Asset Leases, Net of Accumulated Amortization			
Land Improvements	4		674,650
Other Equipment & Machinery	4		379,974
TOTAL ASSETS			1,143,608,983
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan Experience Differences	7		33,387,072
Pension Plan Assumption Changes	7		38,902,441
Pension Plan Changes in Proportions	7		458,909
Pension Plan Contributions	7		6,476,902
OPEB Contributions	8		4,870,292
OPEB Assumptions Changes	8		25,587,689
OPEB Experience Differences	8		738,180
Refunding Bonds	9		4,269,951
TOTAL DEFERRED OUTFLOWS			114,691,436
LIABILITIES			
Accounts Payable			63,193,534
Lease Liability			1,058,936
Accrued Wages & Benefits Payable			3,242,895
Due to Other Governments			336,348
Unearned Grant Revenue			4,074,024
Long-Term Liabilities	9, 10		
Due within one year			47,972,254
Due in more than one year			870,023,178
TOTAL LIABILITIES			989,901,169
DEFERRED INFLOWS OF RESOURCES			
Pension Plan Experience Differences	7		575,243
Pension Plan Assumption Changes	7		3,986,953
Pension Plan Changes in Proportions	7		2,580,273
Pension Plan Investment Earnings	7		50,625,377
OPEB Assumptions Changes	8		19,210,120
OPEB Experience Differences	8		6,590,408
Lease			115,825
Refunding Bonds	9		1,599,305
TOTAL DEFERRED INFLOWS			85,283,504
NET POSITION			
Net Investment in Capital Assets			252,060,604
Restricted for:	1K		
Debt Service			58,672,240
Legal Obligations			46,434,250
Unrestricted			(174,051,348)
TOTAL NET POSITION		\$	183,115,746

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

SPOKANE PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2022

Functions/Programs	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	PRIMARY GOVERNMENT
					Governmental Activities
Primary Government					
Governmental Activities:					
Regular Instruction	\$ 270,947,303	\$ 862,886	\$ 15,047,034	\$ -	\$ (255,037,383)
Federal Stimulus	38,621,148	-	54,769,465	-	16,148,317
Special Instruction	66,626,347	4,924	57,463,828	-	(9,157,595)
Vocational Instruction	14,192,282	30,650	14,607,851	45,670	491,889
Skills Center	4,728,921	61,874	4,300,410	34,551	(332,086)
Compensatory Education	41,331,338	-	38,678,146	-	(2,653,192)
Other Instructional Programs	2,972,224	80,463	1,902,724	-	(989,037)
Community Services	10,755,001	7,135,240	6,049,763	39,470	2,469,472
Support Services	83,933,101	1,127,844	27,030,281	6,892,947	(48,882,029)
Extracurricular Activities (ASB)	1,405,777	1,131,664	406,904	-	132,791
Unallocated Interest Expense	19,111,427	-	-	-	(19,111,427)
Total Governmental Activities	\$ 554,624,869	10,435,545	220,256,406	7,012,638	(316,920,280)

General Revenues

Taxes:

Property Taxes, levies for maintenance and operations	65,939,596
Property Taxes, levies for debt service	56,722,512
Unallocated State Apportionment & Others	230,956,189
Gain on Sale of Equipment & Property	113,380
Interest and Investment Earnings	1,882,614

Total General Revenues**355,614,291****Changes in Net Position****38,694,011****Net Position - Beginning****144,421,735****Net Position - Ending****\$ 183,115,746**

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

SPOKANE PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
August 31, 2022

Exhibit 3

	GENERAL FUND	SPECIAL REVENUE FUND (ASB)	DEBT SERVICE FUND
ASSETS:			
Cash and Cash Equivalents	\$ 69,967,420	\$ 1,742,207	\$ 26,793,382
Cash with Fiscal Agent	50,000	-	-
Property Tax Receivable	29,510,593	-	26,008,774
Accounts Receivables, Net (less lease receivable)	608,571	445	-
Lease Receivable	231,374	-	-
Due from Other Funds	-	63,058	-
Due from Other Government Units	19,307,573	-	-
Inventories at Cost	1,847,907	-	-
Prepaid items	3,822,550	3,000	-
TOTAL ASSETS	\$ 125,345,988	\$ 1,808,710	\$ 52,802,156
LIABILITIES:			
Accounts Payable	\$ 16,611,645	\$ 54,276	-
Lease Liability	1,058,936	-	-
Accrued Wages & Benefits Payable	7,882,484	-	-
Due to Other Funds	1,293,228	-	-
Due to Other Governmental Units	336,348	-	-
Unearned Grant Revenue	4,074,024	-	-
TOTAL LIABILITIES	31,256,665	54,276	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	28,095,444	-	24,758,713
Lease	233,870	-	-
TOTAL DEFERRED INFLOWS	28,329,314	-	24,758,713
FUND BALANCES			
Non-spendable Inventory and Prepays	5,670,456	3,000	-
Restricted for Debt Service	5,900,000	-	28,043,443
Restricted for Self Insurance	800,000	-	-
Restricted for State Match	-	-	-
Restricted for Other	2,776,030	-	-
Restricted Special Revenue Funds	-	1,751,434	-
Assigned to Other Items (See Note 11)	11,831,706	-	-
Assigned to Fund Purpose (See Note 11)	-	-	-
Unassigned Fund Balance	38,781,817	-	-
TOTAL FUND BALANCES	65,760,009	1,754,434	28,043,443
TOTAL LIABILITIES AND FUND BALANCES	\$ 125,345,988	\$ 1,808,710	\$ 52,802,156

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

**SPOKANE PUBLIC SCHOOLS
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
August 31, 2022**

Exhibit 3

	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:		
Cash and Cash Equivalents	\$ 89,073,653	\$ 187,576,662
Cash with Fiscal Agent	-	50,000
Property Tax Receivable	-	55,519,367
Accounts Receivables, Net (less lease receivable)	20	609,036
Lease Receivable	-	231,374
Due from Other Funds	1,230,170	1,293,228
Due from Other Government Units	2,202,218	21,509,791
Inventories at Cost	-	1,847,907
Prepaid items	-	3,825,550
TOTAL ASSETS	\$ 92,506,061	\$ 272,462,915
LIABILITIES:		
Accounts Payable	\$ 40,175,692	\$ 56,841,613
Lease Liability	-	1,058,936
Accrued Wages & Benefits Payable	29,990	7,912,474
Due to Other Funds	-	1,293,228
Due to Other Governmental Units	-	336,348
Unearned Grant Revenue	-	4,074,024
TOTAL LIABILITIES	40,205,682	71,516,623
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	-	52,854,157
Lease	-	233,870
TOTAL DEFERRED INFLOWS	-	53,088,027
FUND BALANCES		
Non-spendable Inventory and Prepays	-	5,673,456
Restricted for Debt Service	101,000	34,044,443
Restricted for Self Insurance	-	800,000
Restricted for State Match	35,433,330	35,433,330
Restricted for Other	-	2,776,030
Restricted Special Revenue Funds	-	1,751,434
Assigned to Other Items (See Note 11)	-	11,831,706
Assigned to Fund Purpose (See Note 11)	16,766,049	16,766,049
Unassigned Fund Balance	-	38,781,817
TOTAL FUND BALANCES	52,300,379	147,858,265
TOTAL LIABILITIES AND FUND BALANCES	\$ 92,506,061	\$ 272,462,915

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

**SPOKANE PUBLIC SCHOOLS
RECONCILIATION
BALANCE SHEET/STATEMENT OF NET POSITION
AUGUST 31, 2022**

	Total Governmental Funds	Long-Term Assets, Liabilities *	Reclassifications and Eliminations*	Statement of Net Position Totals
ASSETS				
Cash and Cash Equivalents	\$ 187,576,662	\$ -	\$ -	\$ 187,576,662
Cash with Fiscal Agent	50,000	-	-	50,000
Property Tax Receivable	55,519,367	(244,358)	-	55,275,009
Accounts Receivables, Net (less lease receivable)	609,036	-	-	609,036
Lease Receivable	231,374	(221,517)	-	9,857
Due from Other Funds	1,293,228	-	(1,293,228)	-
Due from Other Governments	21,509,791	-	-	21,509,791
Inventories	1,847,907	-	-	1,847,907
Prepaid Items	3,825,550	-	-	3,825,550
Pension Asset	-	11,609,010	-	11,609,010
Capital Assets, Net	-	861,296,161	-	861,296,161
TOTAL ASSETS	272,462,915	872,439,296	(1,293,228)	1,143,608,983
DEFERRED OUTFLOWS OF RESOURCES				
Pension Experience Differences	-	33,387,072	-	33,387,072
Pension Assumption Changes	-	38,902,441	-	38,902,441
Pension Changes in Proportions	-	458,909	-	458,909
Pension Contributions	-	6,476,902	-	6,476,902
OPEB Contributions	-	4,870,292	-	4,870,292
OPEB Assumptions Changes	-	25,587,689	-	25,587,689
OPEB Experience Differences	-	738,180	-	738,180
Refunding Bonds	-	4,269,951	-	4,269,951
TOTAL DEFERRED OUTFLOWS	-	114,691,436	-	114,691,436
TOTAL ASSETS & DEF OUTFLOWS	\$ 272,462,915	\$ 987,130,732	\$ (1,293,228)	\$ 1,258,300,419
LIABILITIES				
Accounts Payable	\$ 56,841,613	\$ 6,351,921	\$ -	\$ 63,193,534
Lease Liability	1,058,936	-	-	1,058,936
Wages, Benefits & Other Payables	7,912,474	-	(4,669,579)	3,242,895
Due to Other Funds	1,293,228	-	(1,293,228)	-
Due to Other Governments	336,348	-	-	336,348
Unearned Grant Revenue	4,074,024	-	-	4,074,024
Long-Term Liabilities	-	913,325,853	4,669,579	917,995,432
TOTAL LIABILITIES	71,516,623	919,677,774	(1,293,228)	989,901,169
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue-Property Taxes	52,854,157	(52,854,157)	-	-
Pension Experience Differences	-	575,243	-	575,243
Pension Assumption Changes	-	3,986,953	-	3,986,953
Pension Changes in Proportions	-	2,580,273	-	2,580,273
Pension Investment Earnings	-	50,625,377	-	50,625,377
OPEB Experience Differences	-	6,590,408	-	6,590,408
OPEB Assumption Changes	-	19,210,120	-	19,210,120
Lease	233,870	(118,045)	-	115,825
Refunding Bonds	-	1,599,305	-	1,599,305
TOTAL DEFERRED INFLOWS	53,088,027	32,195,477	-	85,283,504
FUND BALANCES/NET POSITION				
Total Fund Balances/Net Position	147,858,265	35,257,481	-	183,115,746
TOTAL LIABILITIES AND FUND BALANCES/NET POSITION	\$ 272,462,915	\$ 987,130,732	\$ (1,293,228)	\$ 1,258,300,419

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

* See Note 2

SPOKANE PUBLIC SCHOOLS

Exhibit 4

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022**

	GENERAL FUND	SPECIAL REVENUE FUND (ASB)	DEBT SERVICE FUND
REVENUES			
Local	\$ 63,654,213	\$ 1,554,566	\$ 60,299,874
State	345,898,400	-	-
Federal	47,501,663	-	-
Federal Stimulus	54,769,465	-	-
Miscellaneous	2,913,484	-	-
TOTAL REVENUES	514,737,225	1,554,566	60,299,874
EXPENDITURES			
Current Operating:			
Regular Instruction	243,771,443	-	-
Federal Stimulus	38,621,148	-	-
Special Instruction	66,138,300	-	-
Vocational Instruction	14,087,788	-	-
Skills Center	4,012,472	-	-
Compensatory Instruction	41,331,338	-	-
Other Instructional Programs	2,972,224	-	-
Community Services	10,755,001	-	-
Support Services	78,194,907	-	-
Student Activities	-	1,416,269	-
Debt Service:			
Principal	248,619	-	42,960,000
Interest and Other Charges	8,316	-	24,715,508
Capital Outlay:			
Other	1,762,538	-	-
TOTAL EXPENDITURES	501,904,094	1,416,269	67,675,508
Excess (Deficiency) of Revenues Over Expenditures	12,833,131	138,297	(7,375,634)
OTHER FINANCING SOURCES (USES)			
Sale of Equipment & Property	113,380	-	-
Lease Financing	1,307,554	-	-
TOTAL OTHER FINANCING SOURCES AND USES	1,420,934	-	-
NET CHANGE IN FUND BALANCE	14,254,065	138,297	(7,375,634)
Fund Balance - Beginning	51,505,943	1,616,137	35,419,077
Fund Balance - Ending	\$ 65,760,008	\$ 1,754,434	\$ 28,043,443

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

SPOKANE PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

Exhibit 4

	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES		
Local	\$ 1,005,947	\$ 126,514,600
State	6,774,560	352,672,960
Federal	712	47,502,375
Federal Stimulus	-	54,769,465
Miscellaneous	-	2,913,484
TOTAL REVENUES	7,781,219	584,372,884
EXPENDITURES		
Current Operating:		
Regular Instruction	-	243,771,443
Federal Stimulus	-	38,621,148
Special Instruction	-	66,138,300
Vocational Instruction	-	14,087,788
Skills Center	-	4,012,472
Compensatory Instruction	-	41,331,338
Other Instructional Programs	-	2,972,224
Community Services	-	10,755,001
Support Services	-	78,194,907
Student Activities	-	1,416,269
Debt Service:		
Principal	-	43,208,619
Interest and Other Charges	-	24,723,824
Capital Outlay:		
Other	157,030,044	158,792,582
TOTAL EXPENDITURES	157,030,044	728,025,915
Excess (Deficiency) of Revenues Over Expenditures	(149,248,825)	(143,653,031)
OTHER FINANCING SOURCES (USES)		
Sale of Equipment & Property	-	113,380
Lease Financing	-	1,307,554
TOTAL OTHER FINANCING SOURCES AND USES	-	1,420,934
NET CHANGE IN FUND BALANCE	(149,248,825)	(142,232,097)
Fund Balance - Beginning	201,549,204	290,090,361
Fund Balance - Ending	\$ 52,300,379	\$ 147,858,264

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

**SPOKANE PUBLIC SCHOOLS
RECONCILIATION**

Exhibit 4A

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/STATEMENT OF
ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2022**

	Total Governmental Funds	Long-Term Revenue, Expenses *	Capital Related Items *
REVENUES			
Property Taxes	\$ 113,726,020	\$ 8,936,088	\$ -
Local Non-Taxes	12,788,580	-	-
State	352,672,960	-	-
Federal	47,502,375	-	-
Federal Stimulus	54,769,465	-	-
Miscellaneous	2,913,484	(103,472)	-
TOTAL REVENUES	584,372,884	8,832,616	-
EXPENDITURES/EXPENSES			
Current:			
Regular Instruction	243,771,443	1,424,341	25,541,630
Federal Stimulus	38,621,148	-	-
Special Instruction	66,138,300	424,439	2,047
Vocational Instruction	14,087,788	75,230	19,176
Skills Center	4,012,472	17,943	695,637
Compensatory Education	41,331,338	-	-
Other Instructional Programs	2,972,224	-	-
Community Services	10,755,001	-	-
Support Services	78,194,907	604,430	524,395
Student Activities	1,416,269	-	(5,246)
Debt Service:			
Principal	43,208,619	-	-
Interest and Other Charges	24,723,824	-	-
Capital Outlay			
Transfers In/(Out)	158,792,582	-	(153,895,736)
TOTAL EXPENDITURES/EXPENSES	728,025,915	2,546,383	(127,118,097)
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	(143,653,031)	6,286,233	127,118,097
OTHER FINANCING SOURCES (USES)			
Sale of Equipment & Property	113,380	-	-
Lease Financing	1,307,554	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,420,934	-	-
NET CHANGE FOR THE YEAR	\$ (142,232,097)	\$ 6,286,233	\$ 127,118,097

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

*See Note 2

**SPOKANE PUBLIC SCHOOLS
RECONCILIATION**

Exhibit 4A

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/STATEMENT OF
ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2022**

	Long-Term Debt Transactions *	Statement of Activities Totals
REVENUES		
Property Taxes	\$ -	\$ 122,662,108
Local Non-Taxes	-	12,788,580
State	-	352,672,960
Federal	-	47,502,375
Federal Stimulus	-	54,769,465
Miscellaneous	-	2,810,012
TOTAL REVENUES	-	593,205,500
EXPENDITURES/EXPENSES		
Current:		
Regular Instruction	-	270,737,414
Federal Stimulus	-	38,621,148
Special Instruction	-	66,564,786
Vocational Instruction	-	14,182,194
Skills Center	-	4,726,052
Compensatory Education	-	41,331,338
Other Instructional Programs	-	2,972,224
Community Services	-	10,755,001
Support Services	-	79,323,732
Student Activities	-	1,411,023
Debt Service:		
Principal	(43,208,619)	-
Interest and Other Charges	(5,620,713)	19,103,111
Capital Outlay		
Transfers In/(Out)	-	4,896,846
TOTAL EXPENDITURES/EXPENSES	(48,829,332)	554,624,869
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	48,829,332	38,580,631
OTHER FINANCING SOURCES (USES)		
Sale of Equipment & Property	-	113,380
Lease Financing	(1,307,554)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,307,554)	113,380
NET CHANGE FOR THE YEAR	\$ 47,521,778	\$ 38,694,011

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

*See Note 2

SPOKANE PUBLIC SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2022

	Custodial Funds	Private-Purpose Trusts
ASSETS		
Cash and Cash Equivalents	\$ 322,355	\$ 85,190
TOTAL ASSETS	\$ 322,355	\$ 85,190
LIABILITIES		
Accounts Payable	\$ -	\$ -
TOTAL LIABILITIES	-	-
NET POSITION		
Restricted for Trust Principal	-	75,000
Restricted for Scholarships	322,355	-
Restricted for Other Purposes	-	10,190
TOTAL NET POSITION	\$ 322,355	\$ 85,190

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

SPOKANE PUBLIC SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Custodial Funds	Private- Purpose Trusts
ADDITIONS		
Donations	\$ 128,721	\$ -
Investment Earnings	-	667
Total Additions	128,721	667
DEDUCTIONS		
Scholarships	140,102	-
Total Deductions	140,102	-
Change in Net Position	(11,381)	667
Net Position, Beginning of the Year	333,736	84,524
Cumulative Effect of Change in Accounting Principle	-	-
Net Position, End of the Year	\$ 322,355	\$ 85,191

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

SPOKANE SCHOOL DISTRICT NO. 81
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Spokane Public Schools (SPS) is a municipal corporation organized pursuant to Title 28A of the Revised Code of Washington (RCW) for the purpose of providing public school services to students in grades K-12. Oversight responsibility for the school district's operations is vested with the independently elected board of directors. Management of the school 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, SPS includes all funds and organizations that are controlled by or dependent on the district's board of directors or administrative staff. Because the district has organizations that appear to be related to district operations, an evaluation of these related organizations for determination of component units was performed using the criteria established in GASB 39. Control by or dependence on the district was determined based on budget adoption, taxing authority, outstanding debt secured by the general obligation of the district, obligation of the district to finance any deficits that may occur, or receipt of significant subsidies from the district. The total net position of and annual contribution from each related organization was evaluated for materiality to the district as a whole. The following related organizations were reviewed and determined not to be component units:

Related Organizations

The Spokane Public Schools Foundation (SPS Foundation) was organized on June 21, 2006, in the state of Washington for the purpose of supporting Spokane Public Schools. The SPS Foundation is a legally separate entity managed by a board of eleven directors who are nominated by the foundation board. Spokane Public Schools is not responsible for management or finances of the SPS Foundation. Financial information for the SPS Foundation is not presented in the financial statements.

The Greater Spokane League, a legally separate entity, was organized for the exclusive purpose of supporting the high school activities programs for athletics and debate. It is managed by a board of sixteen members including the principal from each of the participating high schools, five of whom are employees of Spokane Public Schools. Spokane Public Schools is not financially responsible for the Greater Spokane League. Financial information for the Greater Spokane League is not presented in the financial statements.

Various parent/teacher associations, organizations and/or groups (PTAs), all of which are legally separate entities, were organized for the purpose of increasing the opportunities for parents to be involved in the educational activities of their children. The boards of directors and/or officers of the PTAs are not appointed by the board of directors of Spokane Public Schools. Spokane Public Schools is not financially responsible for these parent/teacher associations, organizations and/or groups. Financial information for the PTAs is not presented in the financial statements.

B. Basis of Presentation

Spokane Public Schools' financial reports, as reflected by the accompanying financial statements, conform to Generally Accepted Accounting Principles. The accounts of the school district are organized based on funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds in this report are grouped, within the financial statements in this report, into basic financial statements as follows:

Governmentwide Financial Statements

Overall governmental activities are reported here without displaying individual funds or fund types and display information about the district as a whole.

The governmentwide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. The governmentwide financial statements consist of the following:

Statement of Net Position – The Statement of Net Position reports all financial and capital resources. Capital assets (land, land improvements, building, building improvements, vehicles, and equipment) are reported at historical cost, net of accumulated depreciation, where applicable. In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. The deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The district has deferred outflows of resources related to pension plans, other post-employment benefits and refunding bonds. In addition to liabilities, the statement of financial positional also presents a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future period that will not be recognized as an inflow of resources (revenue) until that time. The district has deferred inflows related to pension plans, other post-employment benefits, leases and refunding bonds.

Statement of Activities – The Statement of Activities demonstrates the degree to which the direct expenses of a given function/program are offset by program revenues. The expenses and revenues are reported as follows:

Expenses – Expenses are reported by function/program and include direct and indirect expenses. Depreciation expenses are allocated to direct expenses if they can be specifically identified with a function/program. Interest expenses may be considered direct (interest on long-term debt when borrowing is essential to the creation or continuing existence of a program) or indirect expenses (interest on long-term liabilities).

Revenues – The revenues are divided into program revenues and general revenues. Program revenues consist of two major categories: charges for services, and grants and contributions. Charges for services consist of customers, parents or students who purchase, use, or directly benefit from goods or services. Examples of charges for services are payments for before and after school care and breakfast and lunch payments. Grants and contributions are restricted to meeting the operational or capital requirements of a particular function. All revenues not associated with a program are defined as general revenues. General revenues include general apportionment from the state of Washington, local property taxes, investment earnings and special items. Revenues are recognized when they are earned and measurable on a full accrual basis.

Fund Financial Statements

The governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Governmental Fund reporting includes General, Special Revenue (Associated Student Body Fund), Capital Projects and Debt Service Funds. These funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. “Measurable” means the amount of the transaction can be determined and the district considers all revenues available if they are collected within 60 days after year-end to pay liabilities of the current period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditures are recorded when the related fund liability is incurred, except for the unmatured principal and interest, which are recorded when due. Financial resources usually are appropriated in other funds for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid. Such amounts are not current liabilities of the debt services fund. Long-term liabilities are not recognized as governmental fund liabilities.

GOVERNMENTAL FUNDS

General Fund

This fund is the general operating fund of the district. It is used to account for all expendable financial resources, except those required to be accounted for in another fund. The revenues of the General Fund are derived primarily from the state of Washington, local property taxes and federal grants. In keeping with the principle of as few funds as necessary, food services, maintenance, data processing, printing, and transportation activities are included in this fund. These activities are statutorily assigned to the General Fund and principally serve and receive their support from the General Fund.

Special Revenue Fund (Associated Student Body Fund)

This fund is used to account for the extracurricular fees collected from a variety of fundraising 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 school.

Debt Service Fund

This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related expenditures. Fund revenues are derived primarily from local property taxes.

Capital Projects Fund

This fund is used to account for resources set aside for the acquisition and construction of capital assets. It includes net rental income and net proceeds from the sale of real property. This fund must be used when projects are financed wholly or in part by bond issues, intergovernmental resources, major private donations, or insurance recoveries. Expenditures in this fund may also be for energy capital improvements to existing buildings and the purchase of certain initial equipment for existing buildings.

FIDUCIARY FUNDS

The financial statements for fiduciary funds use the economic resources measurement focus and the accrual basis of accounting. Fiduciary fund reporting focuses on net positions and changes in net position. Trust funds are used by the district in its fiduciary capacity as trustee or agent for assets held for individuals, private organizations, and other governments. These funds include private-purpose trust funds which require a formal trust agreement. The entire income and principal of a private-purpose trust may be disbursed in the course of its operation. Additionally, fiduciary funds include custodial funds. The authority to use the resources comes from the donor who specifies a use or range of allowable uses. The district has adopted the provisions of GASB Statement No. 84 Fiduciary Activities. The objective of this statement is to enhance the consistency and comparability of fiduciary activity reporting by states and local governments in addition to improve accountability of governments in their roles as fiduciaries.

The fiduciary funds consist of trust funds receiving donations from private individuals and foundations for student needs and scholarships.

Fiduciary funds are not presented in the governmentwide financial statements. The district has one custodial fund and one private-purpose fund. They are presented separately in Exhibits 5 and 6.

MAJOR AND NONMAJOR FUNDS

The district considers all governmental funds presented as major funds.

C. Budgetary Data

General Budgetary Policies

School district accounting systems provide the basis for the budgetary control. RCW 28A.505 and Washington Administrative Code (WAC) Chapter 392-123 mandate school district budget policies and procedures. The budget is adopted by the board after a public hearing. The board adopted budget is a prerequisite to expenditures in the General, Special Revenue, Debt Service and Capital Projects Funds. Management is authorized to modify specific accounts within the overall fund budgeted expenditures. The board may adopt a revised or supplemental budget for expenditures after a public hearing anytime during the fiscal year. There were no budget revisions at the fund level during the fiscal year 2021-2022. If the local school district budget does not comply with the budget procedures established by RCW 28A.505, the superintendent of public instruction shall give written notice to the board of directors for the local school district that shall, within thirty days from the date the notice is issued, submit a revised budget which meets the requirements of RCW 28A.505.

Adopted budgeted expenditures lapse at the end of the fiscal period. In addition, pursuant to law, actual expenditures cannot exceed the adopted budget at the fund level.

Budgetary Basis of Accounting

For budget and accounting purposes, revenues and expenditures are recognized on the modified accrual basis of accounting as prescribed by law for all governmental and fiduciary funds. Fund balance is budgeted as an available resource and pursuant to law, the budgeted ending fund balance cannot be negative. The basis of budgeting is the same as GAAP, therefore no reconciliation is included.

Encumbrances

Encumbrance accounting is employed in governmental funds. Purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation. Encumbrances are closed at the end of the fiscal year and reopened the following year. Encumbrances were closed on August 31, 2022, and were re-encumbered on September 1, 2022. See Note 12 for details.

D. Measurement Focus and Basis of Accounting

Measurement Focus

The governmentwide financial statements measure and report all assets (both financial and capital), deferred outflow of resources, liabilities, deferred inflows of resources, revenues, expenses, gains, and losses using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position.

The governmental fund financial statements (General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund) utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The Fiduciary Funds are used to account for resources legally held in trust for the benefit of specifically named organizations (not to support district operations) or expenditures that are to assist the poor or infirm. They are reported on the accrual basis of accounting and utilize an economic resources measurement focus. Custodial funds include donations that are administered by the district to provide necessities for students, not district operations. The private purpose trust is a non-expendable trust that was established through a donor will.

The district does not have any proprietary funds.

Basis of Accounting

In the governmentwide Statement of Net Position and the Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Property taxes receivable are measurable; however, only that portion collected within 30 days of the end of the year is available. Categorical program claims and inter-district billings are measurable and available and are therefore accrued. The district accrues property taxes collections for 30 days after the fiscal year end and revenues related to grants that have been and/or will be claimed.

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred. The fund liability is incurred when the goods or services have been received. The one exception to this rule is the recognition of principal and interest on general long-term debt, which is recognized when due.

E. Eliminations and Reclassifications

In the process of aggregating data for the governmentwide Statements of Net Position and the Statement of Activities, the interfund receivables and payables within governmental funds, except those with fiduciary funds, were eliminated. Interfund services are not eliminated from the governmentwide presentation.

F. Assets, Liabilities and Net Position

Deposits and Investments

The county treasurer is the ex-officio treasurer for the school district. In this capacity, the county treasurer receives deposits and makes investment transactions in the district's behalf.

In the absence of district policy, the district follows applicable investment statutes which authorize the district to deposit or invest in (1) securities, certificates, notes, bonds, short-term securities, or other obligations of the United States, (2) any state bank or trust company, national banking association, stock savings bank, mutual savings bank, savings and loan association, and (3) any branch bank engaged in banking in this state in accordance with RCW 30.04.300 if the institution has been approved by the Washington Public Deposit Protection Commission to hold public deposits and has segregated eligible collateral having a value of not less than its maximum liability.

The district's deposits are held by qualified public depositories and are protected from loss by the Washington Public Deposit Protection Commission and the Federal Deposit Insurance Corporation.

The district uses the US Bank as its fiscal agent for bond principal and coupon redemption.

Property Taxes

Property tax revenues are collected as the result of special levies passed by the voters in the school district. In accordance with the 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 delinquent after that date. However, without incurring penalty, the taxpayer may elect to pay one-half of the taxes due by April 30, with the remaining one-half of the taxes due October 31 and delinquent after that date. Typically, a little more than half of taxes due are collected on the April 30 date. 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 deferred inflow of resources. In governmentwide financial statements, property tax revenue, net of estimated uncollectible, is accrued at year-end.

Due From/To Other Funds

Interfund receivables and payables and the associated revenues and expenditures/expenses are recorded in the respective funds on governmental fund financial statements. Interfund receivables and payables are eliminated in governmentwide financial statements, except those with fiduciary funds, which are reclassified as a third-party receivable. The interfund balances are temporary and are regularly cleared by issuance of a warrant.

Due from/to Other Governments

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

Inventories

Consumable inventories are valued at cost using the first-in, first-out (FIFO) method. The cost is recorded as an expenditure at the time individual inventory items are consumed. Reported inventories are offset by a non-spendable fund balance which is equal to the reported inventory level to indicate that a portion of the fund balance is not available for future expenditures. United States Department of Agriculture (USDA) commodity inventory, included in the inventory total, consists of food donated by the USDA. It is valued at the prices paid by the USDA for the commodities. A comparison to market value is not considered necessary.

Prepays

Prepaid assets are accounted under the consumption method. Assets are recorded as prepaid if the life of the asset extends past the fiscal year. The prepaid assets are amortized over the life of the asset. Reported prepaids are offset by a non-spendable fund balance which is equal to the reported prepaid balance to indicate that a portion of the fund balance is not available for future expenditures.

G. Bond Discount and Bond Premiums

In governmental funds, bond discounts and premium are recognized in the period of issuance. In governmentwide financial statements, they are amortized using the straight-line method over the life of the bonds.

H. Capital Assets

Capital assets, which include property, buildings and improvements, and equipment, are reported in the applicable governmental activities in the governmentwide financial statements. Assets acquired after 1980 are presented at historical cost. Assets acquired before 1980 are presented at estimated historical cost if actual was not available. The district defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized but are charged to expenditures in the current period. In governmental fund financial statements, there is no depreciation for capital assets. Donated assets are recorded at their acquisition value. However, depreciation is charged to expense and allocated to various functions/programs in governmentwide financial statements in compliance with GASB Statement No. 34. See Note 4 for details.

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:

Site Improvements	15 years
Buildings	50 years
Building Improvements	20 years
Equipment and Vehicles	3-12 years

Land and construction in progress are not depreciated.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition.

I. Deferred Outflows and Inflows of Resources

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

In addition to assets and liabilities, the statement of financial position will report separate sections for deferred outflows and inflows of resources. As separate financial statement elements, deferred inflows and outflow of resources represent flows of resources into and out of the district that apply to future period(s) and will not be recognized as an inflow of resources (revenue) or outflow of resources (expenditures) until that time.

In governmental fund financial statements, deferred inflows of resources consist of amounts collected before revenue recognition criteria are met, and receivables which, under the modified accrual basis of accounting, are measurable but not yet available, e.g., unavailable property tax revenues, unavailable revenues from federal, state, and local grants, and unavailable revenues on long-term receivables. In governmentwide financial statements, property taxes less estimated uncollectibles are fully accrued; therefore, there are no unavailable property tax revenues in these statements. However, in governmentwide financial statements, deferred inflows and/or outflows of resources are recorded for the differences between projected and actual pension experience, the differences between projected and actual investment earnings, changes in proportions of the total pension liability, changes in assumptions used to calculate the pension liability, contributions made after the valuation date of the pension liability, changes in assumptions used to calculate the liability for other post-employment benefits, leases and the difference between the reacquisition price and the net carrying amount for refunding of bonds. Please refer to Notes 7, 8, and 9 for more details.

J. Compensated Absences

Under the provisions of RCW 28A.400, up to 180 days of sick leave accumulated by district employees is reimbursed at retirement at the rate of one day for each four days of accrued leave. Employees earn sick leave at a rate of twelve days per year and may accumulate such leave to a maximum of 180 days. This statute also provides for an annual buyout of an amount up to the maximum annual accumulation of twelve days, cashed out at the same rate of one day for each four days of accrued sick leave earned and not used in the prior calendar year. For buyout purposes at retirement, employees may accumulate such leave to a maximum of 192 days, including the annual accumulation, as of December 31 of each year.

The accumulation of the maximum allowable vested sick leave at a ratio of one for four days and unpaid vacation leave are reported under long-term liabilities in the Statement of Net Position. A portion of compensated absences is reported in the fund financial statements. This balance is reclassified to long term debt in the governmentwide financial statements. See Note 2.1.

There are no unrecorded liabilities for employee benefits or other post-employment benefits.

K. Net Position (Governmentwide Financial Statements)

The “Net Investment in Capital Assets” component consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds (net of bond proceeds not expended), mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The “Restricted Net Position” component reports the assets where constraints are placed by external laws, regulations, or legislation. Therefore, they are available for disbursements only for specific purposes (i.e., debt service, capital projects and others). The “Unrestricted Net Position” are assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

L. Fund Balances (Governmental Fund Financial Statements)

The fund balance designations for the governmental fund financial statements are as follows:

Non-spendable accounts represent those portions of fund balance that cannot be spent either because they are not in a spendable form (inventories and prepaids) or are legally required to be maintained intact.

Restricted fund balances are those amounts that are restricted for specific purposes. These restrictions may be either externally imposed by creditors, grantors, contributors, laws, or regulations or imposed by law through constitutional provisions or enabling legislation. Included in this fund balance category are uninsured risk, unexpended state capital match proceeds, special revenue fund (Associated Student Body Funds) balance, compensated absence balance, Skill Center, and debt service fund balance.

Committed fund balance are those amounts that can be used for specific purposes pursuant to constraints imposed by resolution of the board of directors. These committed fund balances cannot be used for any other purposes unless the board takes action to change or remove the original limitations. The district has no commitments as of August 31, 2022.

Assigned fund balance comprises amounts the district intends to use for a specific purpose. Authority for making these assignments rests with the superintendent, pursuant to Policy 1500 – Board Relations with Superintendent. The assignment in the Capital Projects fund reflects the fact that all funds, which are not otherwise restricted, are assigned to be used for projects which are deemed allowable as Capital. A detailed list of assignments is available in Note 11.

The district adopted a minimum fund balance policy to provide a buffer against unforeseen risk and financial uncertainty. Annually, as part of the budget development process, the School Board will review the total of the committed, assigned, and unassigned minimum fund balances (CAU). The total shall be in the range of 5-6% of the actual expenditures of the most recently completed fiscal year (e.g., one fiscal year prior to the current year of operations). In the event the CAU total fund balance “reserve” falls below the benchmark range of 5-6%, a plan to replenish the fund will be developed and implemented. In the event the set aside fund balance exceeds the benchmark range, a plan for one-time use of the additional amount may be proposed by the Board of Directors.

Unassigned fund balance includes all resources not reported in the other four classifications and is only reported in the General Fund. These are the only resources on the balance sheet that are truly available for any purpose.

When resources meeting more than one of the classifications (excluding non-spendable) are comingled in an account, assuming that an expenditure meets the constraints of the classification, the assumed order of spending is restricted first, committed second and finally assigned.

M. New Pronouncements - Implementation of GASB Statement 87, Leases

The financial statements include the adoption of GASB Statement No. 87, Leases (GASB 87). 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 GASB 87, a lessee is required to recognize a lease liability and an intangible right-to use lease asset, and lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 87 to reporting periods beginning after December 15, 2021, with earlier application encouraged. GASB 87 was implemented in the district’s 2021-2022 financial statements, resulting in recognition of \$574,230 of right-to-use lease assets and lease payables as of September 1, 2021, in the governmentwide financial statements. As of August 31, 2022, this resulted in a total lease asset net of accumulated amortization of 1,054,624. See Note 6 for details.

N. Restatement

With the implementation of GASB 87, lease liabilities were recognized. For comparability within the financial statements, selected balances were restated. No restatements were made for federal stimulus funding. State guidance on reporting for federal stimulus was revised for fiscal year 2022 to require reporting within a new program. Fiscal year 2021 federal stimulus expenditures were reported in the historical program for related services.

2. RECONCILIATION BETWEEN GOVERNMENTAL FUND FINANCIAL STATEMENTS AND GOVERNMENTWIDE FINANCIAL STATEMENTS

Balance Sheet/Statement of Net Position (Exhibit 3A)

- a. Property tax levies that will not be collected for several months after year-end are not considered “available” under the modified accrual basis of accounting. Therefore, taxes receivable is presented with corresponding deferred inflow of resources in the fund financial statements. Since revenue for the taxes receivable is not recognized in the fund financial statements, an allowance for uncollectible accounts is also not recorded. Under full accrual accounting, taxes are considered “available” when levied. In the Statement of Activities, the unavailable revenue for taxes receivable of **\$52,854,157** is recognized as revenue and a corresponding allowance for uncollectible accounts of **\$244,357** is recorded.
- b. When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds.

However, the Statement of Net Position includes those capital assets among the assets for the district as a whole.

Cost of Capital Assets	\$1,253,435,383
Accumulated Depreciation	<u>(393,193,846)</u>
Capital Assets Net of Depreciation	<u>\$860,241,537</u>

Effective September 1, 2021, the district implemented GASB statement 87, *Leases*. The statement requires the district to report leases meeting specific criteria as capital assets and amortize over the life of the agreement.

Cost of Leased Assets	\$1,307,554
Accumulated Amortization	<u>(252,930)</u>
Capital Assets Net of Amortization	<u>\$1,054,624</u>

- c. Accrued interest payable on long-term debt is not reflected in fund financial statements. **\$6,351,921** of accrued interest on long-term debt is recorded in the Statement of Net Position.
- d. Long-term liabilities of **\$913,325,853** are not included in the fund financial statements. All liabilities, current and non-current, are included in the governmentwide statements.
- e. In the fund financial statements, interfund payables and receivables are recorded as a result of general operations. In the conversion of fund financial statements to governmentwide financial statements, all of the governmental funds are consolidated and presented as a total. Since they are consolidated into one fund for presentation, the interfund payables and receivables between governmental funds are eliminated. The interfund payables and receivables between governmental funds and fiduciary funds are reclassified to accounts payable and accounts receivable. **\$1,293,228** of interfund balances between governmental funds are eliminated.

- f. Effective September 1, 2014, the district implemented GASB statement number 68, *Accounting and Financial Reporting for Pensions*. The statement requires the district to report a portion of the liabilities of the pension plans with which our employees participate. The pension asset of **\$11,609,010** and pension liability of **\$65,936,021** are recorded. In addition, the actuarial study resulted in total deferred outflows of **\$79,225,324** and total deferred inflows of **\$57,767,846** being recorded.
- g. Effective September 1, 2017, the district implemented GASB statement number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The statement requires the district to report a portion of the liabilities of the pension plans with which our employees participate. This resulted in total deferred outflows of **\$31,196,161** and total deferred inflows of **\$25,800,528** being recorded.
- h. Deferred inflows of **\$1,599,305** were recorded due to the issuance of the 2021 Unlimited General Obligation Refunding Bonds.
- i. Deferred outflows of **\$4,269,951** were recorded due to the issuance of the 2015B Unlimited General Obligation Refunding Bonds and the 2017B Unlimited General Obligation Refunding Bonds.
- j. Amortization of lease receivable and deferred inflow for leases was recorded in the amounts of **\$221,517** and **\$115,825** respectively.

Statement of Revenues, Expenditures, and Changes in Fund Balances/Statements of Activities (Exhibit 4A)

- k. Property tax levies that do not provide current financial resources are reported as deferred inflows of resources in the fund financial statements, but as revenue in the governmentwide financial statement increase of **\$8,936,088** of tax revenue is recorded in the conversion from fund financial statements to the statement of activities.
- l. The net amount of **\$7,416,675** represents the current year compensated absences, workers compensation, OPEB and Net Pension liability adjustments. The long-term portion of compensated absences and the full amount of workers compensation liability were not reported as expenditures in governmental funds. However, it is reported in the statement of activities as an expense, allocated to various applicable programs. The portion of compensated absences and workers compensation recorded in the fund statements of **\$4,669,579** is reclassified as a portion of long-term debt.
- m. When capital assets (land, buildings, and equipment) are purchased or constructed to be used in governmental activities, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the district as a whole.

In addition, capital assets were sold for **\$113,380**. In the statement of activities, only the gain/(loss) on the sale of capital assets is reported, while in fund financial statements, the proceeds of the sale of capitalized assets increase financial resources and are reported as other financing sources. The book value of assets sold was zero resulting in no adjustment to the gain.

Capital Outlay	(\$153,900,982)
Depreciation/Amortization Expense	<u>26,782,885</u>
Difference	<u>(\$127,118,097)</u>

- n. Repayment of principal on debt of **\$42,960,000** and on leases of **\$248,619** was reported as an expenditure in the fund financial statements. In the statement of activities, the repayment of debt is not reflected, as it is a reduction of the debt presented in the Statement of Net Position.
- o. Premiums related to bond issues in 2021, 2019, 2017, 2015, 2014, 2013 and 2012 are being amortized over the life of the bonds. The current year amortization of premium is **\$5,523,820**. Bond discounts related to bond issues in 2019, 2013, 2012 and 2005 are also amortized over the life of the bonds. The current year amortization of discount is **\$23,463**. Deferred outflows related to bonds issued in 2015 and 2017 are amortized over the life of the bonds. The current year amortization of deferred outflows is **\$640,825**. Deferred inflows related to bonds issued in 2021 are amortized over the life of the bonds. The current year amortization of deferred inflows is **\$224,181**. Accrued interest payable is not recognized in the fund financial statements. The decrease in accrued interest payable as of August 31, 2022, of **\$537,000** is presented as a decrease to expenses.

3. DEPOSITS AND INVESTMENTS

Deposits

The district's cash and cash equivalents are considered to be cash on hand, demand deposits and investments in the Spokane County Investment Pool (SCIP).

At fiscal year-end, the carrying amount of the district's deposits was \$188,034,207. Of this amount \$188,009,800 was insured by federal depository insurance (FDIC and FSLIC) or by collateral held in a multiple financial institution collateral pool administered by the Public Deposit Protection Commission. These deposits are invested as part of the SCIP by the Spokane County treasurer for the benefit of the district. The SCIP has historically maintained a \$1 per share net asset value. The carrying amount of investments in the pool approximates fair value. The remaining \$24,407 of cash is retained at sites throughout the district for starting cash and petty cash transactions.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity to changes in market interest rates. The SCIP has a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The average maturity of an investment in the SCIP was 1.01 years as of August 2022. In addition, the investment portfolio is structured to meet the cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments that can be held by government agencies to safe high-quality securities. The investments authorized under the investment policy are limited to federal government-backed securities, certificates of deposit, bankers' acceptance, repurchase agreements (under certain conditions), local and state government bonds (limited to one of the highest three credit ratings), registered warrants, corporate notes, commercial paper, direct district notes and the Washington State and Local Government Investment Pool. The SCIP limits the maximum percentage of the portfolio that may be invested in an individual class of investment requiring diversification to minimize credit risk.

The Washington State Auditor's Office and the Finance Committee of Spokane County provide regulatory guidance. The Pool is not registered with the SEC and has not obtained or provided any legally binding guarantees. A credit rating for the SCIP is not available. Additional information on the investment policies of the pool is available on the Spokane County website at <https://www.spokanecounty.org/DocumentCenter/View/36689/Spokane-County-Investment-Policy-2021-01>. Information about the SCIP is available in the Spokane County Comprehensive Annual Financial Report available on the Spokane County website at <http://www.spokanecounty.org/3016/Annual-Financial-Reports>.

4. CHANGES IN CAPITAL ASSETS

Purchases of equipment with a unit cost in excess of \$5,000 are capitalized and depreciated in governmentwide financial statements. The district's property valuation of buildings and contents for insurance purposes was \$1,308,307,936 on August 31, 2022. In the opinion of the district's insurance consultant, this amount is sufficient to adequately fund replacement of the district's assets. There have been no significant reductions to the insurance coverage.

	Balance 8/31/2021	Additions	Deletions	Balance 8/31/2022
Governmental Activities:				
Capital Assets - Not Depreciated:				
Land	\$ 26,562,046	\$ -	\$ -	\$ 26,562,046
Construction in Progress	164,252,998	150,637,958	(137,822,882)	177,068,074
Total Capital Assets - Not Depreciated	<u>190,815,044</u>	<u>150,637,958</u>	<u>(137,822,882)</u>	<u>203,630,120</u>
Capital Assets - Depreciated:				
Land Improvements	46,916,918	1,712,214	-	48,629,132
Buildings and Improvements	857,410,479	136,160,695	(9,663,302)	983,907,872
Other Equipment & Machinery	18,001,422	1,873,142	(2,606,306)	17,268,258
Total Capital Assets - Depreciated	<u>922,328,819</u>	<u>139,746,051</u>	<u>(12,269,608)</u>	<u>1,049,805,262</u>
Less Accumulated Depreciation:				
Land Improvements	(26,399,752)	(2,642,001)	-	(29,041,753)
Building and Improvements	(336,818,500)	(23,057,628)	9,663,302	(350,212,826)
Other Equipment & Machinery	(15,715,248)	(799,894)	2,575,875	(13,939,267)
Total Accumulated Depreciation	<u>(378,933,500)</u>	<u>(26,499,523)</u>	<u>12,239,177</u>	<u>(393,193,846)</u>
Total Capital Assets - Depreciated, Net	<u>543,395,319</u>	<u>113,246,528</u>	<u>(30,431)</u>	<u>656,611,416</u>
Capital Assets - Leased:				
Land Improvements *	3,376	733,324	-	736,700
Other Equipment & Machinery *	570,854	-	-	570,854
Total Leased Assets - Amortized	<u>574,230</u>	<u>733,324</u>	<u>-</u>	<u>1,307,554</u>
Less Accumulated Amortization:				
Land Improvements	-	(62,050)	-	(62,050)
Other Equipment & Machinery	-	(190,880)	-	(190,880)
Total Accumulated Amortization	<u>-</u>	<u>(252,930)</u>	<u>-</u>	<u>(252,930)</u>
Total Capital Assets - Amortization, Net	<u>574,230</u>	<u>480,394</u>	<u>-</u>	<u>1,054,624</u>
Governmental Activities Capital Assets, Net	<u>\$ 734,784,593</u>	<u>\$ 264,364,880</u>	<u>\$ (137,853,313)</u>	<u>\$ 861,296,160</u>

* Restated in accordance with GASB 87, *Leases*.

Depreciation Expense was charged to governmental activities as follows:

Regular Instruction	\$ 25,499,094
Special Instruction	2,047
Vocational Instruction	19,176
Skill Center	695,637
Support Services	314,001
Total Capital Assets Depreciation	<u>\$ 26,529,955</u>

Amortization Expense was charged to governmental activities as follows:

Regular Instruction	\$ 42,536
Support Services	210,394
Total Capital Leases Amortization	<u>\$ 252,930</u>

5. INTERFUND AND OTHER GOVERNMENT TRANSACTIONS

As of August 31, 2022, short-term interfund receivables and payables in governmental funds that resulted from general operating transactions in governmental fund financial statements were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ -	\$ 1,293,228
Special Revenue Fund	63,058	-
Capital Projects Fund	1,230,170	-
Total	<u>\$ 1,293,228</u>	<u>\$ 1,293,228</u>

Interfund balances are a result of transactions that have occurred in one fund that have been reclassified to the appropriate fund.

As of August 31, 2022, receivables from other governments consist of the following receivables related to grants and apportionment:

	<u>General</u>	<u>Capital Projects</u>
State of Washington	\$ 17,484,227	\$ 2,202,218
Federal Emergency Management Agency	1,366,059	
Spokane County Regional Support Network	305,590	
Department of Education	69,715	
Department of Justice	27,525	
Cheney School District	13,290	
Freeman School District	11,700	
Mary Walker School District	5,800	
Central Valley School District	4,385	
Colville School District	4,200	
Mead School District	3,645	
Dieringer School District	2,489	
West Valley School District	1,434	
East Valley School District	1,375	
Clarkston School District	1,375	
Pullman School District	1,375	
Oak Harbor School District	1,330	
Wilson Creek School District	800	
Medical Lake School District	450	
Office of Superintendent of Public Instruction	425	
Deer Park School District	186	
Post Falls School District	169	
Northeast Washington Education	29	
Total	<u>\$ 19,307,573</u>	<u>\$ 2,202,218</u>

As of August 31, 2022, payables to other governments consist of the following payables related to grants and use taxes:

	<u>General</u>
Federal Communications Commission	\$ 127,311
State of Washington	209,037
	<u>\$ 336,348</u>

6. LEASES

A. Leases as a Lessor

As a lessor, the district recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset to lessee. The district does not have any leases of assets held as investment or leases that transfer ownership of the underlying asset to lessee. As a lessor, the asset underlying the lease is not derecognized. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

B. Lease Receivable

For the year ended August 31,2022, 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.

On 09/07/2021, Spokane Public Schools (Spokane County, WA) entered into a 59-month lease as Lessor for the use of 247 W Main Avenue. An initial lease receivable was recorded in the amount of \$12,353. As of 08/31/2022, the value of the lease receivable is \$9,857. The lessee is required to make annual fixed payments of \$2,500. The lease has an interest rate of 0.5770%. The estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 08/31/2022 was \$9,882.28, and Spokane Public Schools (Spokane County, WA) recognized lease revenue of \$2,471 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 23-month lease as Lessor for the use of 3911 South Regal Street - KSPS. An initial lease receivable was recorded in the amount of \$221,517. As of 08/31/2022, the value of the lease receivable is \$0.00. The lessee is required to make annual fixed payments of \$222,000. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 08/31/2022 was \$105,943, and Spokane Public Schools (Spokane County, WA) recognized lease revenue of \$115,574 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

Principal and Interest Expected to Maturity are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 2,443	\$ 57	\$ 2,500
2024	2,457	43	2,500
2025	2,471	29	2,500
2026	2,486	14	2,500

For the fiscal years ended August 31, 2022, the district reported lease revenue of \$224,620 and interest revenue of \$487 resulting in an ending lease receivable of \$9,857.

	Balance as of September 1, 2021	Additions	Reductions	Balance as of August 31, 2022
<i>Land</i>				
247 W Main Ave.	-	12,353	2,496	9,857
Total Land Lease Receivable	-	12,353	2,496	9,857
<i>Other</i>				
3911 South Regal Street - KSPS	221,517	-	221,517	-
Total Other Lease Receivable	221,517	-	221,517	-
Total Lease Receivable	\$ 221,517	\$ 12,353	\$ 224,013	\$ 9,857

The amounts of inflows of resources recognized in this reporting period for Deferred Inflows of Resources as a result of a lease is \$118,045 with an ending balance of \$115,825.

	Balance as of September 1, 2021	Additions	Reductions	Balance as of August 31, 2022
<i>Land</i>				
247 W Main Ave.	-	12,353	2,471	9,882
Total Land Deferred Inflow of Resources	-	12,353	2,471	9,882
<i>Other</i>				
3911 South Regal Street - KSPS	221,517	-	115,574	105,943
Total Other Deferred Inflow of Resources	221,517	-	115,574	105,943
Total Deferred Inflow of Resources	\$ 221,517	\$ 12,353	\$ 118,045	\$ 115,825

C. Leases as a Lessee

A lessee should recognize a lease liability and a lease asset at the commencement of the lease term unless the lease is a short-term lease, or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

D. Leases Payable

For the year ended 8/31/2022, 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.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 27-month lease as Lessee for the use of Vehicle #22QSJ3. An initial lease liability was recorded in the amount of \$20,309. As of 08/31/2022, the value of the lease liability is \$11,645. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$792. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$20,309 with accumulated amortization of \$8,873 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$277.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 24-month lease as Lessee for the use of Vehicle #22QWKP. An initial lease liability was recorded in the amount of \$9,905. As of 08/31/2022, the value of the lease liability is \$5,173. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$432. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$9,905 with accumulated amortization of \$4,865 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,445.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 24-month lease as Lessee for the use of Vehicle #22QWKT. An initial lease liability was recorded in the amount of \$9,793. As of 08/31/2022, the value of the lease liability is \$5,114. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$427. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$9,793 with accumulated amortization of \$4,836 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,445.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 24-month lease as Lessee for the use of Vehicle #22QWL2. An initial lease liability was recorded in the amount of \$9,905. As of 08/31/2022, the value of the lease liability is \$5,173. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$432. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$9,905 with accumulated amortization of \$4,774 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,445.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 25-month lease as Lessee for the use of Vehicle #22QWL9. An initial lease liability was recorded in the amount of \$10,280. As of 08/31/2022, the value of the lease liability is \$5,557. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$432. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$10,280 with accumulated amortization of \$4,908 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,445.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 24-month lease as Lessee for the use of Vehicle #22QWLG. An initial lease liability was recorded in the amount of \$9,905. As of 08/31/2022, the value of the lease liability is \$5,173. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$432. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$9,905 with accumulated amortization of \$4,774 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,445.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 25-month lease as Lessee for the use of Vehicle #22QWLK. An initial lease liability was recorded in the amount of \$10,405. As of 08/31/2022, the value of the lease liability is \$5,625. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$437. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$10,405 with accumulated amortization of \$4,961 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,488.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 27-month lease as Lessee for the use of Vehicle #22QWLW. An initial lease liability was recorded in the amount of \$18,339. As of 08/31/2022, the value of the lease liability is \$10,515. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$715. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$18,339 with accumulated amortization of \$8,022 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,389.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 27-month lease as Lessee for the use of Vehicle #22QWM4. An initial lease liability was recorded in the amount of \$18,339. As of 08/31/2022, the value of the lease liability is \$10,515. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$715. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$18,339 with accumulated amortization of \$8,031.88 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,389.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 28-month lease as Lessee for the use of Vehicle #22QWMB. An initial lease liability was recorded in the amount of \$18,944. As of 08/31/2022, the value of the lease liability is \$11,140. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$714. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$18,944. with accumulated amortization of \$8,061 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,389.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 28-month lease as Lessee for the use of Vehicle #22R77H. An initial lease liability was recorded in the amount of \$15,310. As of 08/31/2022, the value of the lease liability is \$9,003. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$577. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$15,310 with accumulated amortization of \$6,409 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$2,717.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 25-month lease as Lessee for the use of Vehicle #22R77M. An initial lease liability was recorded in the amount of \$13,692. As of 08/31/2022, the value of the lease liability is \$7,402. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$575. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$13,692 with accumulated amortization of \$6,426 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$2,717.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 25-month lease as Lessee for the use of Vehicle #22R77R. An initial lease liability was recorded in the amount of \$13,692. As of 08/31/2022, the value of the lease liability is \$7,402. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$575. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$13,692 with accumulated amortization of \$6,537 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$2,717.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 25-month lease as Lessee for the use of Vehicle #22R77S. An initial lease liability was recorded in the amount of \$13,692. As of 08/31/2022, the value of the lease liability is \$7,402. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$575. The lease has an interest rate of 0.2180%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$13,692 with accumulated amortization of \$6,344 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$2,717.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 25-month lease as Lessee for the use of Vehicle #22R77V. An initial lease liability was recorded in the amount of \$13,692. As of 08/31/2022, the value of the lease liability is \$7,402. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$575. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$13,692 with accumulated amortization of \$6,376 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$2,717.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 25-month lease as Lessee for the use of Vehicle #22R95L. An initial lease liability was recorded in the amount of \$13,026. As of 08/31/2022, the value of the lease liability is \$7,042. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$547. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$13,026 with accumulated amortization of \$6,043 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$2,590.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 27-month lease as Lessee for the use of Vehicle #22T9ZC. An initial lease liability was recorded in the amount of \$12,795. As of 08/31/2022, the value of the lease liability is \$7,336. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$499. The lease has an interest rate of 0.2180%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$12,795 with accumulated amortization of \$5,556 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$2,339.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 35-month lease as Lessee for the use of Vehicle #234W62. An initial lease liability was recorded in the amount of \$13,851. As of 08/31/2022, the value of the lease liability is \$9,258. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$421. The lease has an interest rate of 0.3150%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$13,851 with accumulated amortization of \$4,643 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$2,978.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 38-month lease as Lessee for the use of Vehicle #235BBV. An initial lease liability was recorded in the amount of \$25,494. As of 08/31/2022, the value of the lease liability is \$17,466. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$736. The lease has an interest rate of 0.3150%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$25,494 with accumulated amortization of \$8,050.89 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$336.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 33-month lease as Lessee for the use of Vehicle #235CVD. An initial lease liability was recorded in the amount of \$20,790. As of 08/31/2022, the value of the lease liability is \$13,490. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$668.82. The lease has an interest rate of 0.3150%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$20,790 with accumulated amortization of \$7,462 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,213.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 33-month lease as Lessee for the use of Vehicle #235CVK. An initial lease liability was recorded in the amount of \$20,790. As of 08/31/2022, the value of the lease liability is \$13,490. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$669. The lease has an interest rate of 0.3150%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$20,790 with accumulated amortization of \$7,462 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,213.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 39-month lease as Lessee for the use of Vehicle #239DJS. An initial lease liability was recorded in the amount of \$48,769. As of 08/31/2022, the value of the lease liability is \$34,216. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$1,335. The lease has an interest rate of 0.3150%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$48,769 with accumulated amortization of \$14,929 is included with Equipment on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$1,422.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 13-month lease as Lessee for the use of Mt. Baldy Radio Site. An initial lease liability was recorded in the amount of \$3,376. As of 08/31/2022, the value of the lease liability is \$0.00. Spokane Public Schools (Spokane County, WA) is required to make annual variable principal and interest payments of \$3,376 based on a CPI index of 0.00%. The lease has an interest rate of 0.1850%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$3,376 with accumulated amortization of \$3,116 is included with Land Improvement on the Lease Class activities table found below. Spokane Public Schools (Spokane County, WA) has 4 extension option(s), each for 12 months.

On 11/10/2021, Spokane Public Schools (Spokane County, WA) entered into a 120-month lease as Lessee for the use of WSDOT LC PARKING. An initial lease liability was recorded in the amount of \$733,324. As of 08/31/2022, the value of the lease liability is \$675,317. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$6,456. The lease has an interest rate of 1.2840%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$733,324 with accumulated amortization of \$58,933 is included with Land Improvements on the Lease Class activities table found below. Spokane Public Schools (Spokane County, WA) has 2 extension option(s), each for 60 months.

On 09/01/2021, Spokane Public Schools (Spokane County, WA) entered into a 59-month lease as Lessee for the use of Canon - Copiers. An initial lease liability was recorded in the amount of \$209,137. As of 08/31/2022, the value of the lease liability is \$167,080. Spokane Public Schools (Spokane County, WA) is required to make monthly fixed payments of \$3,920. The lease has an interest rate of 0.5770%. The estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 08/31/2022 of \$209,137 with accumulated amortization of \$42,536 is included with Equipment on the Lease Class activities table found below.

Principal and Interest Expected to Maturity are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 256,962	\$ 9,511	\$ 266,473
2024	177,375	8,074	185,449
2025	120,141	6,831	126,972
2026	111,362	5,663	117,025
2027	72,848	4,620	77,468
2028 - 2032	320,248	8,989	329,237

For the fiscal years ended August 31, 2022, the district reported lease payments of \$256,934 and interest expense of \$8,316 resulting in an ending lease liability of \$1,058,936.

	Balance as of September 1, 2021	Additions	Reductions	Balance as of August 31, 2022
<i>Equipment</i>				
Vehicle #22QSJ3	20,309	-	8,664	11,645
Vehicle #22QWKP	9,905	-	4,732	5,173
Vehicle #22QWKT	9,793	-	4,678	5,115
Vehicle #22QWL2	9,905	-	4,732	5,173
Vehicle #22QWL9	10,279	-	4,722	5,557
Vehicle #22QWLG	9,905	-	4,732	5,173
Vehicle #22QWLK	10,405	-	4,780	5,625
Vehicle #22QWLW	18,339	-	7,824	10,515
Vehicle #22QWM4	18,339	-	7,824	10,515
Vehicle #22QWMB	18,944	-	7,804	11,140
Vehicle #22R77H	15,310	-	6,307	9,003
Vehicle #22R77M	13,692	-	6,290	7,402
Vehicle #22R77R	13,692	-	6,290	7,402
Vehicle #22R77S	13,692	-	6,290	7,402
Vehicle #22R77V	13,692	-	6,290	7,402
Vehicle #22R95L	13,026	-	5,984	7,042
Vehicle #22T9ZC	12,795	-	5,459	7,336
Vehicle #234W62	13,851	-	4,593	9,258
Vehicle #235BBV	25,494	-	8,028	17,466
Vehicle #235CVD	20,790	-	7,300	13,490
Vehicle #235CVK	20,790	-	7,300	13,490
Vehicle #239DJS	48,769	-	14,552	34,217
Canon - Copiers	209,138	-	42,058	167,080
<i>Total Equipment Lease Liability</i>	570,854	-	187,233	383,621
<i>Land Improvements</i>				
Mt. Baldy Radio Site	3,376	-	3,376	-
WSDOT LCHS Parking	-	733,324	58,009	675,315
<i>Total Land Improvement Lease Liability</i>	3,376	733,324	61,385	675,315
Total Lease Liability	574,230	733,324	248,618	1,058,936

The amount of amortization expense recognized in this reporting period for the lease assets is \$252,930 and resulting in an ending lease asset balance of \$1,054,624.

	Balance as of September 1, 2021	Additions	Reductions	Balance as of August 31, 2022
<i>Equipment</i>				
Vehicle #22QSJ3	20,309	-		20,309
Vehicle #22QWKP	9,905	-		9,905
Vehicle #22QWKT	9,793	-		9,793
Vehicle #22QWL2	9,905	-		9,905
Vehicle #22QWL9	10,279	-		10,279
Vehicle #22QWLG	9,905	-		9,905
Vehicle #22QWLK	10,405	-		10,405
Vehicle #22QWLW	18,339	-		18,339
Vehicle #22QWM4	18,339	-		18,339
Vehicle #22QWMB	18,944	-		18,944
Vehicle #22R77H	15,310	-		15,310
Vehicle #22R77M	13,692	-		13,692
Vehicle #22R77R	13,692	-		13,692
Vehicle #22R77S	13,692	-		13,692
Vehicle #22R77V	13,692	-		13,692
Vehicle #22R95L	13,026	-		13,026
Vehicle #22T9ZC	12,795	-		12,795
Vehicle #234W62	13,851	-		13,851
Vehicle #235BBV	25,494	-		25,494
Vehicle #235CVD	20,790	-		20,790
Vehicle #235CVK	20,790	-		20,790
Vehicle #239DJS	48,769	-		48,769
Canon - Copiers	209,137	-		209,137
<i>Total Equipment Lease Assets</i>	570,853	-	-	570,854
<i>Land Improvements</i>				
Mt. Baldy Radio Site	3,376	-		3,376
WSDOT LCHS Parking	-	733,324		733,324
<i>Total Land Improvement Lease Assets</i>	3,376	733,324	-	736,700
Total Lease Assets	574,229	733,324	-	1,307,554

	Balance as of September 1, 2021	Additions	Reductions	Balance as of August 31, 2022
<i>Equipment</i>				
Vehicle #22QSJ3	-	8,873	-	8,873
Vehicle #22QWKP	-	4,865	-	4,865
Vehicle #22QWKT	-	4,836	-	4,836
Vehicle #22QWL2	-	4,774	-	4,774
Vehicle #22QWL9	-	4,908	-	4,908
Vehicle #22QWLG	-	4,774	-	4,774
Vehicle #22QWLK	-	4,961	-	4,961
Vehicle #22QWLW	-	8,022	-	8,022
Vehicle #22QWM4	-	8,032	-	8,032
Vehicle #22QWMB	-	8,061	-	8,061
Vehicle #22R77H	-	6,409	-	6,409
Vehicle #22R77M	-	6,426	-	6,426
Vehicle #22R77R	-	6,537	-	6,537
Vehicle #22R77S	-	6,344	-	6,344
Vehicle #22R77V	-	6,376	-	6,376
Vehicle #22R95L	-	6,043	-	6,043
Vehicle #22T9ZC	-	5,556	-	5,556
Vehicle #234W62	-	4,643	-	4,643
Vehicle #235BBV	-	8,051	-	8,051
Vehicle #235CVD	-	7,462	-	7,462
Vehicle #235CVK	-	7,462	-	7,462
Vehicle #239DJS	-	14,929	-	14,929
Canon - Copiers	-	42,536	-	42,536
<i>Total Equipment Lease Accumulated Amortization</i>	-	190,881	-	190,881
<i>Land Improvements</i>				
Mt.Baldy Radio Site	-	3,116	-	3,116
WSDOT LCHS Parking	-	58,933	-	58,933
<i>Total Land Improvement Lease Accumulated Amortization</i>	-	62,050	-	62,050
Total Lease Accumulated Amortization	-	252,930	-	252,930
Total Lease Assets, Net	574,229	480,394	-	1,054,624

7. PENSIONS

A. General Information

The Legislature established the Public Employees' Retirement System (PERS) in 1947. PERS retirement benefit provisions are established in chapters 41.34 and 41.40 RCW and may be amended only by the Legislature.

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

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of pension plans administered by

DRS and additions to/deductions from the plans' net position have been determined on the same basis as they are reported by the plans.

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

Membership Participation

Substantially all of the district's full-time and qualifying part-time employees participate in one of the following three contributory, multi-employer, cost-sharing statewide retirement systems managed by the Washington State Department of Retirement Systems (DRS): Teachers' Retirement System (TRS), Public Employees' Retirement System (PERS) and School Employees' Retirement System (SERS). Participation in the programs was as follows:

Membership by retirement system program as of June 30, 2021:

Program	Active Members	Inactive Vested Members	Retired Members
TRS	79,759	11,500	54,319
PERS	875	241	42,886
SERS	62,450	15,997	24,583

Membership by retirement system program as of June 30, 2022:

Program	Active Members	Inactive Vested Members	Retired Members
TRS	81,649	12,172	55,713
PERS	632	196	41,154
SERS	65,483	17,082	27,299

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

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

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

TRS Plan 1 provides retirement, disability, and death benefits. TRS 1 members were vested after the completion of five years of eligible service who joined the system on or before September 30, 1977. Monthly retirement benefits are determined as two percent of the average final compensation (AFC), for each year of service credit, up to a maximum of

60 percent, divided by twelve. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two. Members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. Other benefits include temporary and permanent disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

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

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

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

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

PERS Plan 1 provides retirement, disability, and death benefits. PERS 1 members were vested after the completion of five years of eligible service who joined the system on or before September 30, 1977. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service.

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

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

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

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

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

65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. SERS members, who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a reduced benefit.

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

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

B. 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 employee contribution rate for Plan 1 in PERS and TRS is set by statute at 6 percent and does not vary from year to year. The employer rate is the same for all plans in a system. The methods used to determine the contribution requirements are established under chapters 41.40, 41.32, and 41.35 RCW for PERS, TRS and SERS, respectively.

Employee contribution rates, expressed as a percentage of covered payroll for 2022 were as follows:

Plan	7/1/22 Rate	7/1/21 Rate
PERS 1	6.00%	6.00%
	9/1/22 Rate	9/1/21 Rate
TRS 1	6.00%	6.00%
TRS 2	8.05%	7.77%
TRS 3	varies *	varies *
SERS 2	7.76%	8.25%
SERS 3	varies *	varies *

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

Employer contribution rates:

Plan	7/1/22 Rate	7/1/21 Rate
PERS 1	10.25%	12.97%
	9/1/22 Rate	9/1/21 Rate
TRS 1	14.42%	15.74%
TRS 2	14.42%	15.74%
TRS 3	14.42% **	15.74% **
SERS 2	11.65%	13.30%
SERS 3	11.65% **	13.30% **

Note: The DRS administrative rate of 0.0018 is included.

** - Defined benefit portion only.

Under current law the employer must contribute 100 percent of the employer-required contribution. Employer required contributions in dollars (Participant information for all plans is as of August 31):

Plan	FY 21-22	FY 20-21	FY 19-20
Plan 1 TRS	\$ 14,769,027	\$15,389,044	\$14,632,615
Plan 2 TRS	154,560	3,785,914	3,585,007
Plan 3 TRS	18,450,922	13,082,704	13,171,107
Plan 1 PERS	2,465,021	2,978,655	2,894,704
Plan 2 SERS	2,259,252	2,089,839	2,018,178
Plan 3 SERS	2,643,480	2,901,788	3,021,010

C. The Collective Net Pension Liability

The collective net pension liabilities for the pension plans the district participated in are reported in the following tables:

Net Pension Liability as of June 30, 2022:

Dollars in Thousands	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Total Pension Liability	\$ 11,877,621	\$ 8,478,821	\$ 8,739,146	\$ 22,946,845
Plan fiduciary net position	(9,093,254)	(8,747,471)	(6,837,316)	(23,143,631)
Participating employers' net pension liability	2,784,367	(268,650)	1,901,830	(196,786)
Plan fiduciary net position as a percentage of the total pension liability	76.56%	103.17%	78.24%	100.86%

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

On June 30, 2022, the District reported a total liability of \$54,327,010 for its proportionate shares of the individual plans' collective net pension liability. The district's proportionate share of the collective net pension liability is based on annual contributions for each of the employers participating in the DRS administered plans. On June 30, 2022, the district's proportionate share of each plan's net pension liability is reported below:

June 30, 2022	PERS 1	SERS 2/3	TRS 1	TRS 2/3
District's Annual Contributions	\$ 2,465,021	\$ 4,902,732	\$ 14,769,027	\$ 18,605,482
Proportionate Share of the Pension Liability	11,199,124	(5,884,798)	54,736,896	(5,724,213)

On June 30, 2022, the district's percentage of the proportionate share of the collective net pension liability was as follows and the change in the allocation percentage from the prior year is illustrated below:

Allocation Percentages	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Current year proportionate share of the Net Pension Liability	0.402214%	2.190507%	2.878117%	2.908852%
Prior year proportionate share of the Net Pension Liability	0.399880%	2.370747%	2.799950%	2.787442%
Net difference percentage	0.002334%	(0.180240%)	0.078167%	0.121409%

E. Actuarial Assumptions

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

The total pension liabilities for TRS 1, TRS 2/3, PERS 1 and SERS 2/3 were determined by actuarial valuation as of June 30, 2021, with the results rolled forward to June 30, 2022, 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 promotions and longevity.
Investment rate of return	7.00%

F. Mortality Rates

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates, which vary by member status (e.g., active, retiree, or survivor), as our base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year, throughout their lifetime.

G. Long-term Expected Rate of Return

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

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

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

The long-term expected rate of return of 7.00% approximately equals the median of the simulated investment returns over a fifty-year time horizon, increased slightly to remove WSIB's implicit and small short-term downward adjustment due to assumed mean reversion. WSIB's implicit short-term adjustment, while small and appropriate over a ten to fifteen-year period, becomes amplified over a fifty-year measurement period.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2022, are summarized in the following table:

TRS1, TRS 2/3, PERS 1, and SERS 2/3		
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	20.00%	1.50%
Tangible Assets	7.00%	4.70%
Real Estate	18.00%	5.40%
Public Equity	32.00%	5.90%
Private Equity	23.00%	8.90%

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

H. Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. To determine the discount rate, an asset sufficiency test was completed to evaluate whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.00 percent long-term discount rate to determine funding liabilities for calculating future contributions rate requirements. Consistent with the long-term expected rate of return, a 7.00 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue to be made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.00 percent on pension plan investments was applied to determine the total pension liability.

I. 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. On August 31, 2022, the district reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	-	(1,856,024)
Changes in assumptions or other inputs	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	396,172	-
TOTAL	\$ 396,172	\$ (1,856,024)
SERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$ 4,865,595	\$ -
Net difference between projected and actual earnings on pension plan investments	-	(8,685,450)
Changes in assumptions or other inputs	6,654,499	(479,688)
Changes in proportion and differences between contributions and proportionate share of contributions	301,484	(478,106)
Contributions subsequent to the measurement date	820,468	-
TOTAL	\$ 12,642,046	\$ (9,643,244)
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	-	(9,808,192)
Changes in assumptions or other inputs	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	2,293,494	-
TOTAL	\$ 2,293,494	\$ (9,808,192)

TRS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$ 28,521,477	\$ (575,243)
Net difference between projected and actual earnings on pension plan investments	-	(30,275,712)
Changes in assumptions or other inputs	32,247,943	(3,507,266)
Changes in proportion and differences between contributions and proportionate share of contributions	157,426	(2,102,169)
Contributions subsequent to the measurement date	2,966,767	-
TOTAL	\$ 63,893,613	\$ (36,460,390)

\$6,476,901 was reported as Deferred Outflows of Resources related to pensions resulting from district contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period.

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
2023	(785,431)	\$(1,251,115)	(4,158,455)	(6,217,538)
2024	(713,374)	(868,695)	(3,780,836)	(4,941,694)
2025	(894,906)	(1,913,520)	(4,755,138)	(7,620,528)
2026	537,687	4,645,835	2,886,237	16,556,155
2027	-	1,425,062	-	6,639,965
Thereafter	-	140,766	-	20,050,096

J. Pension Expense (Benefit)

The district recognizes a pension expense for its proportionate share of the collective pension expense. This is determined by using the district's proportionate share of the collective net pension liability. For the year ending August 31, 2022, primarily due to investment performance, the district recognized a total negative pension expense as follows:

Pension Expense (benefit)	
PERS 1	\$ 5,296,551
SERS 2/3	(1,170,454)
TRS 1	32,334,975
TRS 2/3	(2,381,487)
TOTAL	\$ 34,079,585

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

The table below presents the district's proportionate share of the net pension liability calculated using the discount rate of 7.00%, 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%) or one percentage point higher (8.00%) than the current rate. Amounts are calculated by plan using the district's allocation percentage.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
PERS 1 NPL	\$ 3,719,876,000	\$ 2,784,367,000	\$ 1,967,887,000
Allocation Percentage	0.40221437%	0.40221437%	0.40221437%
Proportionate Share of Collective NPL	\$ 14,961,876	\$ 11,199,124	\$ 7,915,124
SERS 2/3 NPL	\$ 929,172,000	\$ (268,650,000)	\$ (1,255,926,000)
Allocation Percentage	2.19050723%	2.19050723%	2.19050723%
Proportionate Share of Collective NPL	\$ 20,353,580	\$ (5,884,798)	\$ (27,511,150)
TRS 1 NPL	\$ 2,582,448,000	\$ 1,901,830,000	\$ 1,306,883,000
Allocation Percentage	2.87811719%	2.87811719%	2.87811719%
Proportionate Share of Collective NPL	\$ 74,325,880	\$ 54,736,896	\$ 37,613,624
TRS 2/3 NPL	\$ 3,565,129,000	\$ (196,786,000)	\$ (3,255,167,000)
Allocation Percentage	2.90885155%	2.90885155%	2.90885155%
Proportionate Share of Collective NPL	\$ 103,704,310	\$ (5,724,213)	\$ (94,687,976)

L. Aggregate Pension Amounts

The following table represents the aggregate pension amounts for all plans subject to the requirements of GASB Statement 68 for the year 2022:

<u>Aggregate Pension Amount - All Plans</u>	
Pension liabilities	\$ (65,936,021)
Pension Asset	11,609,010
Deferred outflows of resources	79,225,324
Deferred inflows of resources	(57,767,846)
Pension expense (benefit)	34,079,585

Historical trend information showing TRS and PERS progress in accumulating sufficient assets to pay benefits when due is presented in the Department of Retirement System's June 30, 2022, annual comprehensive financial report (ACFR).

Refer to this report for detailed trend information. It is available at <http://www.drs.wa.gov> or from:

State of Washington
Office of Financial Management
300 Insurance Building
PO Box 43113
Olympia, WA 98504-3113

8. OTHER POST EMPLOYMENT BENEFITS (OPEB)

The state, through the Health Care Authority (HCA), administers a multiple-employer other post-employment benefit plan. Per RCW 41.05.065, the Public Employees Benefits Board (PEBB), created within the HCA, is authorized to design benefits, and determine the terms and conditions of employee and retired employee participation and coverage, including establishment of eligibility criteria for both active and retired employees. Programs include medical, dental, life and long-term disability.

The relationship between the PEBB OPEB plan and its member employers, their employees, and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan in effect at the time of each valuation. A substantive plan is one in which the plan terms are understood by the employers and plan members. This understanding is based on communications between the HCA, employers, and plan members, and the historical pattern of practice with regard to the sharing of benefit costs. The understanding by the employer and plan members is that there is no contractual obligation to continue the substantive plan as an employee benefit on an ongoing basis. Nevertheless, the actuarial assumption used in valuations presented in this footnote assume that this substantive plan will be carried forward into the future.

According to state law, the State of Washington collects a fee from all school district entities which are not currently active members of the state Health Care Authority but participate in the state retirement system. Starting in January 2020, the state Health Care Authority started the State Employees Benefits Board (SEBB). The SEBB Programs administers health insurance and other benefits to all school district employees. The not currently active members fee has now been rolled into the per month payment for active employees. This assessment to the district is subject to change annually. Participation in the PEBB is limited to the district's retirees.

The PEBB OPEB plan is funded on a pay-as-you-go basis and is reported by the State of Washington using the modified accrual basis and the current financial resources measurement focus. The PEBB OPEB plan has no assets and does not issue a publicly available financial report.

Employees Covered by Benefit Terms. Employers participating in the PEBB plan include the State of Washington which includes general government agencies, higher education institutions, and component units. Additionally, there are 76 of the state's K-12 schools and educational service districts (ESDs), and 249 political subdivisions and tribal governments not included in the state's financial reporting that participate in the PEBB plan. The plan is also available to the retirees of the remaining 227 K-12 schools, charter schools, and ESDs. The district's retirees are eligible to participate in the PEBB plan under this arrangement. Membership in the PEBB plan for the district consisted of the following:

Summary of Plan Participants
As of July 1, 2022

Active Employees	3,904
Retirees Receiving Benefits	2,049 *

* as of 7/1/20 measurement date

The PEBB retiree OPEB plan is available to employees who elect to continue coverage at the time they retire and pay the administratively established premiums under the provisions of the retirement system to which they belong. Retirees' access to the PEBB plan depends on the retirement eligibility of their respective retirement system. PEBB members are

covered in the following retirement systems: PERS, TRS and SERS. However, not all employers who participate in these plans offer PEBB to retirees.

Benefits Provided. Per RCW 41.05.022, retirees who are not yet eligible for Medicare benefits may continue participation in the state’s non-Medicare community-rated health insurance risk pool on a self-pay basis. Retirees in the non-Medicare risk pool receive an implicit subsidy. The implicit subsidy exists because retired members pay a premium based on a claims experience for active employees and other non-Medicare retirees. The subsidy is valued using the difference between the age-based claims costs and the premium. In calendar year 2021 and 2022, the average weighted implicit subsidy was valued at \$366 per adult unit per month.

Retirees who are enrolled in both Parts A and B of Medicare may participate in the state’s Medicare community-rated health insurance risk pool. Medicare retirees receive an explicit subsidy in the form of reduced premiums. Annually, the HCA administrator recommends an amount for the next calendar year’s explicit subsidy for inclusion in the Governor’s budget. The final amount is approved by the state Legislature. In calendar year 2020 and 2021, the explicit subsidy was up to \$183 per member per month and it will remain at \$183 in 2022 and 2023.

Contribution Information. Administrative costs as well as implicit and explicit subsidies are funded by required contributions (RCW 41.05.050) from participating employers. The subsidies provide monetary assistance for medical benefits.

Upon retirement, members are permitted to receive medical benefits. Retirees pay the following monthly rates for pre-65 medical coverage for 2022

Plan	Employee Only	Type of Coverage		Full Family
		Employee & Spouse	Employee & Children	
Kaiser Permanente WA Classic	\$ 813.24	\$ 1,621.48	\$ 1,419.42	\$ 2,227.66
Kaiser Permanente WA Sound Choice	659.19	1,313.37	1,149.82	1,804.01
Kaiser Permanente WA CHDP	641.39	1,272.99	1,129.67	1,702.94
Kaiser Permanente WA Value	721.89	1,438.79	1,259.56	1,976.46
Kaiser Permanente NW Classic	768.23	1,531.47	1,340.66	2,103.90
Kaiser Permanente NW CHDP	643.88	1,277.21	1,133.46	1,708.47
Uniform Medical Plan Classic	718.68	1,432.35	1,253.93	1,967.61
Uniform Medical Plan Plus-UW Medicine Accountable Care Networ	687.13	1,369.26	1,198.73	1,880.86
Uniform Medical Plan Plus-Puget Sounds High Value Network	687.13	1,369.26	1,198.73	1,880.86
Uniform Medical Plan CDHP	638.69	1,270.29	1,126.97	1,700.24
Uniform Medical Plan Select	647.73	1,290.50	1,129.77	1,772.50

Each participating employer in the plan is required to disclose additional information with regard to funding policy, the employer’s annual OPEB costs and contributions made, the funded status and funding progress of the employer’s individual plan, and actuarial methods and assumptions used.

Actuarial Assumptions. The total OPEB liability was determined using the following methodologies:

Actuarial assumption	
Actuarial valuation date	7/1/2020
Actuarial measurement date	8/31/2020 & 8/31/21
Actuarial cost method	Individual entry age
Amortization method	The recognition period for the assumption changes is 7.9 years. This is equal to the average expected remaining service lives of all active and inactive members.
Asset valuation method	N/A - no assets

In order to calculate the beginning total OPEB liability balance under GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*, an actuarial valuation was performed with a valuation date of July 1, 2020, was performed. The forward projection reflects the plan's assumed service cost, assumed interest, and expected benefit payments.

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

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.75%
Projected salary changes	3.50%
Post-retirement participation percentage	65%
Percentage with spouse coverage	45%

Mortality rates were based on the RP-2000 Combined Healthy Table and Combined Disabled Table published by the Society of Actuaries. The Office of the State Actuary applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year throughout their lifetime.

Most demographic actuarial assumptions, including mortality and when members are expected to terminate and retire, were based on the results of the 2007-2012 Experience Study Report performed by the Washington State Public Retirement Systems.

Discount Rate. Since OPEB benefits are funded on a pay-as-you-go basis, the discount rate used to measure the total OPEB liability was set equal to the 20-year tax-exempt municipal bond yield, or 2.20 percent for the August 31, 2020, measurement date and 2.14 percent for the August 31, 2021, measurement date.

Changes in assumptions resulted from an increase in the 20-year tax-exempt municipal bond yield discount rate resulting in an overall decrease in total OPEB liability for the measurement date of August 31, 2022

Health and Life Insurance trend rates used were as follows:

Year Ending August 31	Pre-65 Retiree Claims and Contributions (1)	Post-65 Retiree Contributions (2)	Post-65 Retiree Claims (3)
2022	5.40%	13.70%	9.20%
2023	5.20%	12.50%	9.20%
2024	5.10%	5.30%	5.10%
2025	5.10%	5.30%	5.10%
2035	5.20%	5.20%	5.10%
2045	5.30%	5.30%	5.20%
2055	5.10%	5.20%	5.10%
2065	5.00%	4.90%	4.90%
2075	4.30%	4.30%	4.30%
2085	4.30%	4.30%	4.30%
2095	4.30%	4.30%	4.30%

(1) Used to project annual increase to total cost of pre-65 medical benefits, and retiree contributions for pre-65 medical benefits.

(2) Used to project annual increase to Total Cost for post-65 medical benefits.

(3) Used to project annual increase to explicit subsidy for post-65 medical benefits.

Total OPEB Liability. As of August 31, 2022, the district reported a total OPEB liability of \$227.3 million. The current portion of the total OPEB liability is \$4,870,292.

Changes in Total OPEB Liability

The following table presents the change in the total OPEB liability as of the August 31, 2022, reporting date:

Changes in total OPEB liability	
OPEB liability, August 31, 2021	\$ 213,620,850
Changes for the year	
Service cost	11,057,600
Interest on total OPEB liability	4,891,681
Effect of plan change	-
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	2,443,029
Expected benefit payments	(4,684,151)
Net changes in total OPEB liability	13,708,159
OPEB liability, August 31, 2022	227,329,009

Sensitivity of the Total Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the district as an employer calculated using the discount rate of 2.14 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.14 percent) or 1 percentage point higher (3.14 percent) than the current rate:

	1% Decrease (1.14%)	Current Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB liability	\$ 273,832,837	\$ 227,329,009	\$ 190,866,426

Sensitivity of Total OPEB Liability to Changes in the Health Care Cost Trend Rates. The following represents the total OPEB liability of the state as an employer, calculated using current health care trend rates, as well as what the total OPEB liability would be if it were calculated using health care trend rates that are 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 183,449,113	\$ 227,629,009	\$ 286,683,040

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. For the year ending August 31, 2022, the district recognized OPEB expense of \$14,934,322.

On August 31, 2022, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experiences	\$ (6,590,408)	\$ 738,180
Changes in assumptions or other inputs	(19,210,120)	25,587,689
Contributions subsequent to the measurement date	-	4,870,292
TOTAL	\$ (25,800,528)	\$ 31,196,161

Amounts reported as deferred outflows of resources related to OPEB resulting from transactions made subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent fiscal period rather than in the fiscal period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB for the district will be recognized in OPEB expense in the fiscal years ended August 31 as follows:

<u>Year ended August 31</u>	
2022	(1,014,959)
2023	(1,014,959)
2024	(743,050)
2025	1,704,120
2026	1,857,711
Thereafter	(263,522)

The following table represents the aggregate OPEB amounts subject to the requirements of GASB Statement 75 for the year 2022:

<u>OPEB Amounts</u>	
OPEB liabilities	\$ 227,329,009
Deferred outflows of resources	31,196,161
Deferred inflows of resources	(25,800,528)
OPEB expense (benefit)	14,934,322

9. LONG-TERM DEBT

Bonds payable on August 31, 2022, consists of ten issues: General Obligation Refunding Bonds of 2012, General Obligation Bonds of 2012, General Obligation Bonds of 2013, General Obligation Bonds of 2014, General Obligation 2015B, General Obligation 2015C, Refunding Bonds of 2017B, General Obligation Bonds of 2017C, General Obligation Bonds of 2019 and General Obligation and Refunding Bonds 2021. Principal and interest is payable on June 1 and December 1.

In June 2012, the board issued \$38,310,000 of general obligation refunding bonds. The proceeds from these bonds were to refund the majority of the outstanding 2005 bond issue. Interest rates on the general obligation bonds are fixed at 2.000 percent to 5.250 percent depending on the year of maturity. The bonds will be retired on December 1, 2024. All 2005 bonds have been called and redeemed.

In November 2012, the board issued \$50,000,000 in 20-year property tax-supported general obligation bonds as the sixth installment of funding for the projects authorized by voters in March 2009. The funding will be used for construction of various district projects, including the replacement or renovation of four elementary schools, modernization of one high school, replacement of a middle school gymnasium, high school field improvements, technology, and infrastructure to support technology and various building improvements. Interest rates on the general obligation bonds are fixed at 3.000 to 4.000 percent, depending on the year of maturity. The bonds will be retired on December 1, 2032.

In December 2013, the board issued \$30,000,000 in 19-year property tax-supported general obligation bonds as the seventh installment of funding for the projects authorized by voters in March 2009. The funding will be used for construction of various district projects, including the replacement or renovation of four elementary schools, modernization of one high school, replacement of a middle school gymnasium, high school field improvements, technology, and infrastructure to support technology and various building improvements. Interest rates on the general obligation bonds are fixed at 4.250 to 5.000 percent, depending on the year of maturity. The bonds will be retired on December 1, 2032.

In December 2014, the board issued \$25,525,000 in 19-year property tax-supported general obligation bonds as the eighth and final installment of funding for the projects authorized by voters in March 2009. The funding will be used for construction of various district projects, including the replacement or renovation of four elementary schools, modernization of one high school, replacement of a middle school gymnasium, high school field improvements, technology, and infrastructure to support technology and various building improvements. Interest rates on the general obligation bonds are fixed at 4.500 to 5.500 percent, depending on the year of maturity. The bonds will be retired on December 1, 2033.

In December 2015, the board issued \$36,055,000 of general obligation refunding bonds. The proceeds from these bonds were to refund the outstanding 2009 bond issue. Interest rates on the general obligation bonds are fixed at 2.250 percent to 5.000 percent depending on the year of maturity. The bonds will be retired on December 1, 2026.

In December 2015, the board issued \$29,000,000 in 19-year property tax-supported general obligation bonds as the second installment of funding for the projects authorized by voters in February 2015. The funding will be used for construction of various district projects, including the replacement or renovation of four elementary schools, replacement of a middle school, replacement of a middle school gymnasium, improvements at two high schools, technology, and infrastructure to support technology and various building improvements. Interest rates on the general obligation bonds are fixed at 4.000 percent. The bonds will be retired on December 1, 2034.

In November 2017, the board issued \$64,320,000 of general obligation refunding bonds. The proceeds from these bonds were to refund the outstanding 2011 bond issue. Interest rates on the general obligation bonds are fixed at 4.000 percent to 5.000 percent depending on the year of maturity. The bonds will be retired on December 1, 2030.

In November 2017, the board issued \$29,320,000 in e18-year property tax-supported general obligation bonds as the fourth installment of funding for the projects authorized by voters in February 2015. The funding will be used for construction of various district projects, including the replacement or renovation of four elementary schools, replacement of a middle school, replacement of a middle school gymnasium, improvements at two high schools, technology, and infrastructure to support technology and various building improvements. Interest rates on the general obligation bonds are fixed at 4.000 percent to 5.000 percent depending on the year of maturity. The bonds will be retired on December 1, 2035.

In February 2019, the board issued \$127,910,000 in 18-year property tax-supported general obligation bonds as the fifth installment of funding for the projects authorized by voters in February 2015 and first installment of funding for the projects authorized by voters in November 2018. The 2015 authorization funding will be used for construction of various district projects, including the replacement or renovation of four elementary schools, replacement of a middle school, replacement of a middle school gymnasium, improvements at two high schools, technology, and infrastructure to support technology and various building improvements. The 2018 authorization funding will be used for construction of three new middle schools, renovation, or replacement of three middle schools, On-Track Academy and Albi Stadium, construction of a commons for Lewis and Clark high school renovations at Libby Center, technology, and infrastructure to support technology and various building improvements. Interest rates on the general obligation bonds are fixed at 5.000 percent. The bonds will be retired on December 1, 2036.

On April 8, 2021, the board issued \$172,775,000 in 19-year property tax supported general obligation bonds as the second installment of funding for the projects authorized by voters in November 2020. The 2018 authorization funding will be used for construction of three new middle schools, renovation, or replacement of three middle schools, On-Track Academy and Albi Stadium, construction of a commons for Lewis and Clark high school renovations at Libby Center, technology, and infrastructure to support technology and various building improvements. Interest rates on the general obligation bonds are fixed at 5.000 percent to 5.25% depending on the year of maturity. The bonds will be retired on December 1, 2040.

On April 8, 2021, the district issued \$58,010,000 in unlimited tax general obligation bonds. The proceeds from these bonds were to refund the outstanding 2010B and 2010C bond issues. Interest rates on the general obligation bonds are fixed at 4.000 percent to 5.000 percent depending on the year of maturity. The bonds will be retired on December 1, 2029.

The following is a summary of general obligation long-term debt transactions of the district for the year ended August 31, 2022:

Debt service requirements for bonds are funded out of the Debt Service Fund with the revenue sources being property taxes and investment income. On August 31, 2022, the district had \$28,043,443 available in the Debt Service Fund to service the general obligation bonds. Vacation, sick leave, workers' compensation, Net OPEB Obligation and Net Pension Obligation debt service requirements are funded out of the General Fund.

	Balance 8/31/2021	Additions	Reductions	Balance 8/31/2022	Current Portion
Serial Bonds Payable	\$ 589,155,000	\$ -	\$ 42,960,000	\$ 546,195,000	\$38,505,000
Vacation Leave Payable	4,224,000	1,760,342	1,779,342	4,205,000	1,358,000
Sick Leave Payable	4,616,000	1,318,381	1,468,381	4,466,000	938,000
Workers Compensation	2,975,354	2,729,722	2,610,815	3,094,261	1,000,000
Lease Payable *	574,230	733,324	248,618	1,058,936	266,473
Net OPEB Obligation	213,620,850	18,392,310	4,684,151	227,329,009	4,684,151
Net Pension Liability	23,735,482	42,200,539	-	65,936,021	-
Subtotal	838,900,916	67,134,618	53,751,307	852,284,227	46,751,624
Unamortized Premium	71,433,232	-	5,523,821	65,909,412	
Unamortized Discount	(221,670)	-	(23,463)	(198,207)	
Net Long -Term Debt	<u>\$ 910,112,478</u>	<u>\$ 67,134,618</u>	<u>\$ 59,251,665</u>	<u>\$ 917,995,432</u>	

Annual Requirements to Amortize Bond and Interest Debt as of August 31, 2022:

Year Ending August 31	Principal	Interest	Total
2023	\$ 38,505,000	22,862,562	61,367,562
2024	16,300,000	21,555,125	37,855,125
2025	9,040,000	20,747,250	29,787,250
2026	18,280,000	20,064,250	38,344,250
2027	19,840,000	19,194,675	39,034,675
2028-2032	126,830,000	81,361,575	208,191,575
2033-2037	192,705,000	48,369,125	241,074,125
2038-2041	124,695,000	10,419,300	135,114,300
Total	<u>\$ 546,195,000</u>	<u>\$ 244,573,862</u>	<u>\$ 790,768,862</u>

Bonds Authorized but Unissued

There are \$95,300,000 of bonds that are authorized but unissued bonds as of August 31, 2022.

Bond Premium and Discount

The premium on bonds is amortized over the life of the bonds using the straight-line method. The unamortized premium as of August 31, 2022, is as follows:

Bond Series	Premium	Unamortized Premium
2021 Unlimited General Obligation Bonds	\$ 28,089,379	\$ 25,878,642
2021B Unlimited General Obligation Refunding Bonds	1,339,856	1,234,404
2021C Unlimited General Obligation Refunding Bonds	6,856,924	6,317,259
2019 Unlimited General Obligation Bonds	18,572,975	14,703,605
2017B Unlimited General Obligation Refunding Bonds	12,445,475	7,898,090
2017C Unlimited General Obligation Bonds	3,324,442	2,631,850
2015B Unlimited General Obligation Refunding Bonds	6,807,095	2,630,014
2015C Unlimited General Obligation Bonds	1,847,322	1,191,037
2014 Unlimited General Obligation Bonds	2,251,989	1,333,414
2013 Unlimited General Obligation Bonds	520,257	280,665
2012 Unlimited General Obligation Bonds	831,670	426,231
2012 Unlimited General Obligation Refunding Bonds	7,690,009	1,384,201
Total	<u>\$ 90,577,393</u>	<u>\$ 65,909,412</u>

The discount on bonds is amortized over the life of the bonds using the straight-line method. The unamortized discount as of August 31, 2022, is as follows:

Bond Series	Discount	Unamortized Discount
2019 Unlimited General Obligation Bonds	117,374	92,921
2013 Unlimited General Obligation Bonds	123,195	67,001
2011 Unlimited General Obligation Bonds	46,080	20,211
2005 Unlimited General Obligation Bonds	157,315	18,074
Total	<u>\$ 443,964</u>	<u>\$ 198,207</u>

The deferred outflows on refunding bonds are amortized over the life of the bonds using the straight-line method. The unamortized deferred outflows as of August 31, 2022, are as follows:

Bond Series	Deferred Outflows	Unamortized Deferred Outflows
2017B Unlimited General Obligation Refunding Bonds	\$ 5,025,937	\$ 3,189,537
2015B Unlimited General Obligation Refunding Bonds	2,796,364	1,080,414
Total	<u>\$ 7,822,301</u>	<u>\$ 4,269,951</u>

The deferred inflows on refunding bonds are amortized over the life of the bonds using the straight-line method. The unamortized deferred inflows as of August 31, 2022, are as follows:

Bond Series	Deferred Inflows	Unamortized Deferred Inflows
2021B Unlimited General Obligation Refunding Bonds	\$ 2,017,633	\$ 1,401,134
2021C Unlimited General Obligation Refunding Bonds	321,752	198,170
Total	<u>\$ 2,339,385</u>	<u>\$ 1,599,304</u>

Prior and Current-Year Defeasance of Debt

In prior and current years, the district defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust

account assets and the liability for the defeased bonds are not included in the district's financial statements. On August 31, 2022, \$121,735,000 of bonds outstanding were considered defeased.

Debt Covenants

The district is in compliance with all debt covenants.

Arbitrage Rebate

The district has provided for no arbitrage liability related to the outstanding bond issues. Arbitrage will be monitored at the calculation period prescribed by the Internal Revenue Service.

Short-Term Debt

The district has no short-term debt.

10. RISK MANAGEMENT

Unemployment Insurance

The district has elected to maintain a self-insurance program for unemployment benefits in accordance with RCW 51.14.020. Actual employee benefits are paid by the Washington State Department of Employment Security and then reimbursed by the district. The following is a summary of activity for the fiscal year:

Unemployment	2022	2021	2020	2019
Beginning Balance	\$ 1,235,700	\$ 1,494,533	\$ 2,057,087	\$ 2,123,314
Amount Added to Reserve	98,338	84,637	83,818	94,013
	1,334,038	1,579,170	2,140,905	2,217,327
Amount Deducted from Reserve	(104,597)	(343,470)	(646,372)	(160,240)
Ending Balance	\$ 1,229,441	\$ 1,235,700	\$ 1,494,533	\$ 2,057,087

Industrial Insurance

The district has been self-insured since January 1, 1982. The district has historically purchased both per occurrence and aggregate stop-loss reinsurance protection. The district has a \$425,000 per occurrence self-insured retention.

The industrial insurance claims management has been assigned to Sedgwick CMS. The following is a summary of activity for the fiscal year:

	2022	2021	2020	2019
Beginning Balance	\$ 1,536,403	\$ 1,078,572	\$ 589,461	\$ 230,163
Amount Added to Reserve	3,448,691	3,039,593	3,034,585	3,302,639
	4,985,094	4,118,165	3,624,046	3,532,802
Amount Deducted from Reserve	(2,610,815)	(2,581,762)	(2,545,474)	(2,943,341)
Ending Balance	\$ 2,374,279	\$ 1,536,403	\$ 1,078,572	\$ 589,461

In addition to the above balances, a restriction of fund balance in the amount of \$800,000 has been established in the General Fund to cover any loss for which an estimated liability has not been established or insurance coverage has not been secured. In the governmentwide financial statements, an estimated liability, including case reserves and incurred but not reported of \$3,094,261 and \$2,975,354 as of August 31, 2022, and 2021 respectively is reported as a long-term liability. The estimate of ultimate loss, including incurred but not reported, loss development estimates and assessments, is calculated in an actuarial study prepared by a public accounting firm based on data from the preceding fiscal years.

Risk Management Pool

The district is a member of the Washington Schools Risk Management Pool (Pool). 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. The Pool was formed in 1986 when educational service districts and school districts in the state of Washington joined together by signing the Cooperative Risk Management Pool Account Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Over 90 school and educational service districts participate in the Pool.

The Pool allows members to jointly purchase insurance coverage, establish a plan of self-insurance, and provide related services, such as risk management. The Pool provides the following coverages for its members: property, liability, vehicle, public official liability, crime, employment, practices, errors and omissions, equipment breakdown, cyber security, terrorism and stop gap liability.

Members make an annual contribution to fund the Pool. The Pool acquires reinsurance and excess insurance from unrelated carriers subject to a per-occurrence self-insured retention of \$1 million for property risk and \$1.5 million for liability risk shared by the Pool. Reinsurance or Excess carriers cover losses over the self-insured retention to the maximum limits of each policy. Members are responsible for varied deductibles for both liability and property claims. Since the Pool is a cooperative program, there is a joint liability among the participating members.

Members contract to remain in the Pool for a minimum of three years and must give notice three years before terminating participation. The Cooperative Risk Management Pool 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 the Pool for any unresolved, unreported, and in process claims for the period they were a signatory to the Cooperative Risk Management Pool Account Agreement.

The Pool is fully funded by its member participants. The district paid \$1,751,370 to the Pool for the fiscal year ended August 31, 2022 Settled claims resulting from this risk have not exceeded insurance coverage in any of the past three fiscal years.

The Pool is governed by a board of directors which is comprised 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 the Pool.

11. FUND BALANCE (GOVERNMENTAL FUNDS)

Fund balance as of August 31, 2022, is comprised of:

	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund
Non-spendable inventory and prepaids	\$ 5,670,456	\$ 3,000	\$ -	\$ -
Restricted - debt service	5,900,000	-	28,043,443	101,000
Restricted - self insurance	800,000	-	-	-
Restricted - state match	-	-	-	35,433,330
Restricted - bond proceeds	-	-	-	-
Restricted - Food Services carryover	428,543	-	-	-
Restricted - other (Skill Center)	2,347,487	-	-	-
Restricted - Associated Student Body	-	1,751,434	-	-
Restricted Fund Balance	9,476,030	1,751,434	28,043,443	35,534,330
Assigned - capital projects	-	-	-	16,766,049
Assigned - nutrition services	7,821,616	-	-	-
Assigned - child care	1,023,544	-	-	-
Assigned - transportation	1,297,045	-	-	-
Assigned - orders received after August 31	1,689,501	-	-	-
Assigned Fund Balance	11,831,706	-	-	16,766,049
Unassigned Fund Balance	20,499,277	-	-	-
Unassigned Minimum Fund Balance	18,282,540	-	-	-
Total Fund Balance	\$ 65,760,009	\$ 1,754,434	\$ 28,043,443	\$ 52,300,379

12. ENCUMBRANCES

Encumbrances represent contracts (including construction contracts), purchase orders, and other commitments to purchase which were fully liquidated and re-established for the remaining commitment balances in the next year. As of August 31, 2022, encumbrances of \$17,152,656, \$235,421,425, and \$44,293 were outstanding for the General Fund, Capital Projects Fund and ASB Fund, respectively.

13. TAX ABATEMENTS

District property tax revenues were reduced by \$1,151,302 from multiple-family housing property tax exemption agreements entered into by the City of Spokane. This represents the only tax abatement applicable to the district, therefore the use of a quantitative threshold to determine which tax abatements to report is not required.

14. JOINT VENTURE

The district is the host district for the NEWTECH Skill Center, a regional program designed to provide career and technical education opportunities to students in participating districts. The purpose of a Skill Center is to enhance the career and technical education course offerings among districts by avoiding unnecessary duplication of courses.

The NEWTECH Skill Center was created through an agreement of the eleven member districts. The Skill Center is governed by an Administrative Council, comprised of the superintendents, or their appointed representatives, of each member district. The Skill Center administration is managed through a director, employed by the district.

As host district, the district has the following responsibilities:

1. Employ staff of the Skill Center.
2. Act as fiscal agent for the Skill Center and maintain separate accounts and fund balances for each fund.
3. Review and adopt the Skill Center budget as a part of the district's overall budget.
4. Provide such services as may be mutually agreed upon by the district and the Skill Center.

Sources of Funding

The Skill Center is primarily funded by state apportionment, based on the number of students who attend the Skill Center. Other sources of income include federal grants from the Carl D. Perkins program, tuition and fees, and payments from member districts.

Financial Operations

Financial operations are included in these financial statements in the amount of revenues totaling \$4,388,469 and expenditures totaling \$4,131,925. Comparable revenues and expenditures totaled \$4,488,703 and expenditures totaling \$3,944,367, respectively, during the preceding year.

Unspent Funds

Any funds remaining at the end of the year from NEWTECH operations are recorded as a restriction of the district's General Fund balance and are to be used for financing future operations of NEWTECH. Member districts do not have claim to any unspent funds of NEWTECH.

The following districts are member districts of the Skill Center: Spokane School District, Mead School District, Freeman School District, East Valley School District, Cheney School District, West Valley School District, Deer Park School District, Central Valley School District, Riverside School District, Nine Mile School District and Medical Lake School District.

The Newport School District, Davenport School District and Colville School District operate satellite campuses of the NEWTECH Skill Center. A satellite campus is not eligible to claim those students who attend for purposes of receiving direct funding from the state. The Newport School District, Davenport School District and Colville School District are required to provide the staffing for the satellite campus programs. As the fiscal agent for the Skill Center, Spokane Public School district reimburses the satellite district for their costs through the interlocal agreement.

15. CONTINGENT LIABILITIES

Spokane Public Schools participates in a number of federally assisted grant programs principally funded by the Department of Education, the Bureau of Indian Affairs, the Comprehensive Employment Training Act, and others. These programs are subject to program compliance audits by the grantors or their representatives. The audits of some of these programs for, or including, the year ended August 31, 2022, either have not yet been conducted or are still pending final action and acceptance by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Spokane Public Schools expects such amounts, if any, to be immaterial. The district is not aware of any material violations of contractual provisions or other finance related provisions.

16. SUBSEQUENT EVENT – COVID 19

In February 2020, Governor Inslee declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, canceling public events, limiting gathering sizes, and requiring people to stay home unless they were leaving for an essential function. On April 6, 2020, the Governor closed all public and private K–12 school buildings throughout the remainder of the 2019–20 school year. The school district, however, continued to operate, educating students using continuous learning models.

Many of the precautionary measures put in place during the 2019–20 school year have been reduced or eliminated. The district has been and anticipated continuing to operate in-person learning for students K-12.

Much of the initial fiscal uncertainty related to the pandemic has been mitigated by federal funds. Three federal allocations for pandemic relief have been approved at the federal level. ESSER I funds were allocated in summer 2020 with most funds used in the 2020-2021 fiscal year. The ESSER II and ESSER III funds became available in fiscal year 2020-2021. The Office of the Superintendent of Instruction (OSPI) has developed the application and claiming process for ESSER II and ESSER III. The estimated amount of ESSER funding across all three ESSER packages is \$124 million.

17. SUBSEQUENT EVENT – BOND SALE

On November 15, 2022, the district held a competitive bond sale and accepted bids for the \$100,000,000 of bonds authorized by voters in 2018. Bond delivery and funding is scheduled for December 1, 2022. The bonds have an interest cost of 5%. The district has \$95,300,000 authorized but unissued bonds.

Required Supplementary Information
And
Supplemental Information

REQUIRED SUPPLEMENTARY INFORMATION
SPOKANE PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2022

	BUDGETED AMOUNTS		ACTUAL AMOUNT	FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local	\$ 65,930,307	\$ 65,945,489	\$ 63,654,213	\$ (2,291,276)
State	368,950,626	368,805,521	345,898,400	(22,907,121)
Federal	44,198,696	42,771,024	47,501,663	4,730,639
Federal Stimulus	46,303,397	46,667,767	54,769,465	8,101,698
Other	921,121	2,114,346	2,913,484	799,138
TOTAL REVENUES	526,304,147	526,304,147	514,737,225	(11,566,922)
EXPENDITURES				
CURRENT				
Regular Instruction	261,093,105	257,649,888	243,771,443	13,878,445
Federal Stimulus	41,420,224	44,266,760	38,621,148	5,645,612
Special Instruction	68,801,018	68,817,213	66,138,300	2,678,913
Vocational Instruction	12,586,020	12,586,020	14,087,788	(1,501,768)
Skills Center	4,438,898	4,438,898	4,012,472	426,426
Compensatory Education	44,902,292	44,315,250	41,331,338	2,983,912
Other Instructional Programs	5,072,242	4,051,215	2,972,224	1,078,991
Community Services	12,836,351	13,759,814	10,755,001	3,004,813
Support Services	81,878,226	82,125,995	78,194,907	3,931,088
CAPITAL OUTLAY				
Other	859,863	859,863	1,762,538	(902,675)
DEBT SERVICE				
Principal	-	-	248,619	(248,619)
Interest	-	-	8,316	(8,316)
TOTAL EXPENDITURES	533,888,239	532,870,916	501,904,094	30,966,822
Excess of Revenues Over/ (Under) Expenditures	(7,584,092)	(6,566,769)	12,833,131	19,399,900
OTHER FINANCING SOURCES/(USES)				
Sale of Equipment	30,180	30,180	113,380	83,200
Long-Term Financing	-	-	1,307,554	1,307,554
Total Other Financing Sources/(Uses)	30,180	30,180	1,420,934	1,390,754
Excess of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Uses	(7,553,912)	(6,536,589)	14,254,065	20,790,654
FUND BALANCE - September 1	49,500,000	25,312,164	51,505,943	26,193,779
FUND BALANCE - August 31	\$ 41,946,088	\$ 18,775,575	\$ 65,760,008	\$ 46,984,433

The basis of budgeting is the same as GAAP.

REQUIRED SUPPLEMENTARY INFORMATION
SPOKANE PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)
FOR THE YEAR ENDED AUGUST 31, 2022

	BUDGETED AMOUNTS		ACTUAL AMOUNT	FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
General	\$ 575,000	\$ 575,000	\$ 492,634	\$ (82,366)
Athletics	940,000	940,000	584,196	(355,804)
Classes	703,000	703,000	316,622	(386,378)
Clubs	280,000	280,000	161,114	(118,886)
Total Revenues	2,498,000	2,498,000	1,554,566	(943,434)
EXPENDITURES				
General	529,000	529,000	447,404	81,596
Athletics	1,107,000	1,107,000	554,473	552,527
Classes	709,000	709,000	284,265	424,735
Clubs	238,000	238,000	130,127	107,873
Total Expenditures	2,583,000	2,583,000	1,416,269	1,166,731
Excess of Revenues Over/ (Under) Expenditures	(85,000)	(85,000)	138,297	223,297
FUND BALANCE - September 1	1,560,000	1,560,000	1,616,137	56,137
FUND BALANCE - August 31	\$ 1,475,000	\$ 1,475,000	\$ 1,754,434	\$ 279,434

The basis of budgeting is the same as GAAP.

REQUIRED SUPPLEMENTARY INFORMATION
SPOKANE PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017
PERS 1						
District's Proportion of the Net Pension Liability	0.402214%	0.399880%	0.408400%	0.451779%	0.428955%	0.431661%
District's Proportionate Share of the Net Pension Liability	\$ 11,199,124	\$ 4,883,474	\$ 14,418,712	\$ 17,372,492	\$ 19,157,278	\$ 20,482,642
District's covered Payroll	\$ 62,788,767	\$ 60,842,597	\$ 60,686,517	\$ 62,570,580	\$ 56,450,044	\$ 53,153,529
District's Proportional Share of the Net Pension Liability (Amount) as a Percentage of its Covered Payroll	17.84%	8.03%	23.76%	27.76%	33.94%	38.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%
SERS 2/3						
District's Proportion of the Net Pension Liability	2.190507%	2.370747%	2.301333%	2.562688%	2.548529%	2.553870%
District's Proportionate Share of the Net Pension Liability	\$ (5,884,798)	\$ (25,454,642)	\$ 12,242,263	\$ 6,009,452	\$ 7,621,683	\$ 12,602,710
District's covered Payroll	\$ 62,533,346	\$ 60,505,809	\$ 60,298,003	\$ 62,034,312	\$ 55,744,619	\$ 52,173,367
District's Proportional Share of the Net Pension Liability (Amount) as a Percentage of its Covered Payroll	-9.41%	-42.07%	20.30%	9.69%	13.67%	24.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.17%	114.15%	92.45%	96.31%	94.77%	90.79%
TRS 1						
District's Proportion of the Net Pension Liability	2.878117%	2.799950%	2.826708%	3.091993%	3.130566%	3.125426%
District's Proportionate Share of the Net Pension Liability	\$ 54,736,896	\$ 18,852,008	\$ 68,089,355	\$ 76,551,647	\$ 91,431,067	\$ 94,489,992
District's covered Payroll	\$ 231,226,501	\$ 207,810,008	\$ 204,322,930	\$ 207,240,362	\$ 183,893,961	\$ 173,810,804
District's Proportional Share of the Net Pension Liability (Amount) as a Percentage of its Covered Payroll	23.67%	9.07%	33.32%	36.94%	49.72%	54.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.24%	91.42%	70.55%	70.37%	66.52%	65.58%
TRS 2/3						
District's Proportion of the Net Pension Liability	2.908852%	2.787442%	2.825572%	3.086892%	3.143578%	3.139666%
District's Proportionate Share of the Net Pension Liability	\$ (5,724,213)	\$ (76,621,408)	\$ 43,400,243	\$ 18,599,574	\$ 14,149,685	\$ 28,977,331
District's covered Payroll	\$ 230,704,278	\$ 206,989,336	\$ 203,149,643	\$ 206,084,725	\$ 182,725,358	\$ 172,174,438
District's Proportional Share of the Net Pension Liability (Amount) as a Percentage of its Covered Payroll	-2.48%	-37.02%	21.36%	9.03%	7.74%	16.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.86%	120.29%	91.72%	96.36%	96.88%	93.14%

GASB 68 was implemented for the fiscal year ended August 31, 2015. No information prior to August 31, 2015 is available.

Source: Spokane School District No. 81

REQUIRED SUPPLEMENTARY INFORMATION
SPOKANE PUBLIC SCHOOLS
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED AUGUST 31, 2022

	2022	2021	2020	2019	2018	2017
PERS 1						
Contractually Required Plan Member Contribution	\$ 2,465,021	\$ 2,978,655	\$ 2,894,704	\$ 3,290,101	\$ 2,922,803	\$ 2,623,767
Contributions in Relation to the Contractually Required Plan Member Contributions	\$ 2,465,021	\$ 2,978,655	\$ 2,894,704	\$ 3,290,101	\$ 2,922,803	\$ 2,623,767
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered Payroll	\$ 63,686,523	\$ 60,982,258	\$ 60,130,984	\$ 63,360,078	\$ 57,143,312	\$ 53,711,895
Contribution as a Percentage of covered Payroll	3.87%	4.88%	4.81%	5.19%	5.11%	4.88%
SERS 2/3						
Contractually Required Plan Member Contribution	\$ 4,902,732	\$ 4,991,627	\$ 5,039,188	\$ 5,307,830	\$ 4,758,685	\$ 3,594,208
Contributions in Relation to the Contractually Required Plan Member Contributions	\$ 4,902,732	\$ 4,991,627	\$ 5,039,188	\$ 5,307,830	\$ 4,758,685	\$ 3,594,208
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered Payroll	\$ 63,454,700	\$ 60,649,618	\$ 59,775,745	\$ 62,823,450	\$ 56,477,297	\$ 52,773,146
Contribution as a Percentage of covered Payroll	7.73%	8.23%	8.43%	8.45%	8.43%	6.81%
TRS 1						
Contractually Required Plan Member Contribution	\$ 14,769,027	\$ 15,389,044	\$ 14,632,615	\$ 15,707,994	\$ 13,436,521	\$ 10,911,733
Contributions in Relation to the Contractually Required Plan Member Contributions	\$ 14,769,027	\$ 15,389,044	\$ 14,632,615	\$ 15,707,994	\$ 13,436,521	\$ 10,911,733
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered Payroll	\$ 235,500,667	\$ 208,570,681	\$ 202,399,132	\$ 211,116,666	\$ 185,986,718	\$ 173,487,560
Contribution as a Percentage of covered Payroll	6.27%	7.38%	7.23%	7.44%	7.22%	6.29%
TRS 2/3						
Contractually Required Plan Member Contribution	\$ 18,605,482	\$ 16,868,618	\$ 16,756,114	\$ 16,816,596	\$ 14,780,245	\$ 11,864,297
Contributions in Relation to the Contractually Required Plan Member Contributions	\$ 18,605,482	\$ 16,868,618	\$ 16,756,114	\$ 16,816,596	\$ 14,780,245	\$ 11,864,297
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered Payroll	\$ 235,021,452	\$ 207,827,742	\$ 201,266,840	\$ 209,951,599	\$ 184,867,357	\$ 171,970,598
Contribution as a Percentage of covered Payroll	7.92%	8.12%	8.33%	8.01%	8.00%	6.90%

GASB 68 was implemented for the fiscal year ended August 31, 2015. No information prior to August 31, 2015 is available.

Source: Spokane School District No. 81

**REQUIRED SUPPLEMENTARY INFORMATION
SPOKANE PUBLIC SCHOOLS**

**SCHEDULE OF CHANGES IN TOTAL OPEB (OTHER POST-EMPLOYMENT BENEFITS) LIABILITY AND RELATED RATIO
FOR THE YEAR ENDED AUGUST 31, 2022**

	2022	2021	2020	2019	2018
TOTAL OPEB LIABILITY					
Service Cost	\$ 11,057,600	\$ 11,509,697	\$ 8,229,802	\$ 7,894,426	\$ 9,303,248
Interest on Total OPEB Liability	4,891,681	6,722,732	6,997,330	6,076,259	5,255,474
Changes of benefit terms		-	-	-	-
Effect of Economic/Demographic Gains (Losses)	-	(8,371,600)	-	1,353,332	-
Effect of Assumption Changes or Inputs	2,443,029	(8,765,325)	35,510,361	(8,111,453)	(21,480,724)
Expected Benefit Payments	(4,684,151)	(4,605,431)	(4,125,324)	(3,791,970)	(3,433,307)
Net Change in Total OPEB Liability	<u>13,708,159</u>	<u>(3,509,927)</u>	<u>46,612,170</u>	<u>3,420,594</u>	<u>(10,355,309)</u>
Total OPEB Liability, Beginning	213,620,850	217,130,777	170,518,606	167,098,012	177,453,321
Total OPEB Liability, Ending	<u>\$ 227,329,009</u>	<u>\$ 213,620,850</u>	<u>\$ 217,130,777</u>	<u>\$ 170,518,606</u>	<u>\$ 167,098,012</u>
Covered Employee Payroll	\$ 279,614,101	\$ 273,216,440	\$ 274,489,541	\$ 243,094,707	\$ 227,199,455
Total OPEB Liability as a Percent of Covered Employee Payroll	81.30%	78.19%	79.10%	70.14%	73.55%

GASB 75 was implemented for the fiscal year ended August 31, 2018. No information prior to August 31, 2018 is available.
Data is reported utilizing the most recent information available (measurement date of August 31, 2017)
Assets have not been accumulated in a trust to pay related benefits.

Source: Spokane School District No. 81

SPOKANE PUBLIC SCHOOLS
GENERAL FUND
COMPARATIVE BALANCE SHEET
AUGUST 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash on Hand and in Bank	\$ 150,000	\$ 150,000
Cash on Deposit with County Treasurer	69,817,420	71,210,350
Cash with Fiscal Agent	50,000	50,000
Property Tax Receivable	29,510,593	16,709,025
Accounts Receivables, Net (less lease receivable)	608,571	806,893
Lease Receivable	231,374	-
Due from Other Funds	-	-
Due from Other Governments	19,307,573	4,497,004
Inventories, at Cost	1,847,907	2,099,725
Prepaid Items	3,822,550	4,261,310
TOTAL ASSETS	\$ 125,345,988	\$ 99,784,307
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 16,611,645	\$ 16,961,751
Lease Liability	1,058,936	-
Accrued Wages and Benefits Payable	7,882,484	7,154,120
Due to Other Funds	1,293,228	3,775,339
Due to Other Governments	336,348	339,619
Unearned Grant Revenue	4,074,024	4,277,681
TOTAL LIABILITIES	31,256,665	32,508,510
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	28,095,444	15,769,854
Lease	233,870	-
TOTAL DEFERRED INFLOWS OF RESOURCES	28,329,314	15,769,854
FUND BALANCE		
Non-spendable Inventory and Prepays	5,670,456	6,361,035
Restricted for Debt Service	5,900,000	6,400,000
Restricted for Self Insurance	800,000	1,863,600
Restricted for Other	2,776,030	1,827,737
Assigned to Other Items	11,831,706	7,680,814
Unassigned Fund Balance	38,781,817	27,372,757
TOTAL FUND BALANCE	65,760,009	51,505,943
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 125,345,988	\$ 99,784,307

SPOKANE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2022
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2021)

	2022			2021 ACTUAL
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	
REVENUES				
Local	\$ 65,945,489	\$ 63,654,213	\$ (2,291,276)	\$ 46,878,489
State	368,805,521	345,898,400	(22,907,121)	345,649,235
Federal	42,771,024	47,501,663	4,730,639	42,635,535
Federal Stimulus	46,667,767	54,769,465	8,101,698	7,963,095
Other	2,114,346	2,913,484	799,138	1,402,115
TOTAL REVENUES	526,304,147	514,737,225	(11,566,922)	444,528,469
EXPENDITURES				
CURRENT				
Regular Instruction	257,649,888	243,771,443	13,878,445	242,282,860
Federal Stimulus	44,266,760	38,621,148	5,645,612	-
Special Education	68,817,213	66,138,300	2,678,913	64,489,530
Vocational Instruction	12,586,020	14,087,788	(1,501,768)	12,057,362
Skill Center	4,438,898	4,012,472	426,426	3,841,960
Compensatory Education	44,315,250	41,331,338	2,983,912	40,829,472
Other Instructional Programs	4,051,215	2,972,224	1,078,991	2,620,848
Community Services	13,759,814	10,755,001	3,004,813	9,436,617
Support Services	82,125,995	78,194,907	3,931,088	74,662,729
CAPITAL OUTLAY				
Other	859,863	1,762,538	(902,675)	484,530
DEBT SERVICE				
Principal	-	248,619	(248,619)	-
Interest	-	8,316	(8,316)	-
TOTAL EXPENDITURES	532,870,916	501,904,094	30,966,822	450,705,908
Excess of Revenues Over/				
(Under) Expenditures	(6,566,769)	12,833,131	19,399,900	(6,177,439)
OTHER FINANCING SOURCES /USES)				
Sale of Equipment	30,180	113,380	83,200	35,770
Lease Financing	-	1,307,554	1,307,554	-
Total Other Financing Sources/(Uses)	30,180	1,420,934	1,390,754	35,770
Excess of Revenues & Other				
Financing Sources Over/(Under)				
Expenditures & Other Uses	(6,536,589)	14,254,065	20,790,654	(6,141,669)
FUND BALANCE - September 1	44,553,710	51,505,943	6,952,233	57,647,612
FUND BALANCE - August 31	\$ 38,017,121	\$ 65,760,008	\$ 27,742,887	\$ 51,505,943

**SPOKANE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2022
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2021)**

	2022		VARIANCE POSITIVE (NEGATIVE)	2021 ACTUAL
	BUDGET	ACTUAL		
1000 LOCAL TAXES				
1100 Local Property Tax	\$ 52,575,740	\$ 53,610,030	\$ 1,034,290	\$ 37,294,233
1500 Timber Excise Tax	-	284	284	229
TOTAL LOCAL TAXES	52,575,740	53,610,314	1,034,574	37,294,462
2000 LOCAL NON-TAX				
2100 Tuition & Fees, Unassigned	252,405	106,825	(145,580)	84,986
2131 Secondary Voc. Ed. Fees	2,515	3,363	848	78
2145 Skills Center Tuitions and Fees	15,092	5,006	(10,086)	8,463
2173 Summer School Tuitions and Fees	298,933	80,462	(218,471)	47,694
2188 Day Care Tuitions and Fees	2,406,855	1,936,414	(470,441)	685,590
2200 Sale of Goods, Supplies, Svcs	847,535	810,695	(36,840)	629,198
2231 Sec. Voc. Ed. Sales of Goods, Supplies, Svcs	42,755	27,110	(15,645)	7,175
2245 Skill Center Sale of Goods, Supplies, Svcs	44,115	56,765	12,650	16,980
2289 Other Community Svcs, Sale of Goods	5,182,922	5,198,400	15,478	5,244,072
2298 Food Services, Sale of Goods, Supplies, Svcs	2,479,584	79,046	(2,400,538)	(4,269)
2300 Investment Earnings	427,550	427,771	221	674,741
2500 Gifts & Donations	410,366	311,960	(98,406)	1,527,492
2600 Fines & Damages	47,383	134,091	86,708	85,327
2700 Rental of Property	639,516	412,598	(226,918)	373,115
2800 Insurance Recoveries	2,012	-	(2,012)	-
2900 Local Non-Tax Unassigned	270,211	135,301	(134,910)	199,687
2910 E-Rate	-	315,891	315,891	2,632
2998 Local School Food Service	-	2,201	2,201	1,066
TOTAL LOCAL NON-TAX	13,369,749	10,043,899	(3,325,850)	9,584,027

The basis of budgeting is the same as GAAP.

**SPOKANE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2022
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2021)**

	2022		VARIANCE POSITIVE (NEGATIVE)	2021 ACTUAL
	BUDGET	ACTUAL		
3000 STATE FUNDS, GENERAL PURPOSE				
3100 Apportionment	\$ 261,993,521	\$ 247,095,636	\$ (14,897,885)	\$ 245,377,948
3121 Spec Ed - Gen Apportionment	10,770,633	9,971,402	(799,231)	9,937,857
3300 Local Effort Assistance	9,145,073	8,274,741	(870,332)	12,956,055
TOTAL STATE, GENERAL PURPOSE	281,909,227	265,341,779	(16,567,448)	268,271,860
4000 STATE FUNDS, SPECIAL PURPOSE				
4100 Special Purpose, Unassigned	798,214	307,810	(490,404)	108,890
4121 Special Education	40,416,711	38,177,576	(2,239,135)	38,099,338
4155 Learning Assistance Program	16,996,632	15,939,862	(1,056,770)	16,922,841
4158 Special Pilot Programs	5,162,315	4,844,466	(317,849)	4,928,058
4165 Transitional Bilingual	3,258,324	2,867,958	(390,366)	2,852,429
4174 Highly Capable	879,162	826,702	(52,460)	828,757
4198 School Food Service	334,000	420,413	86,413	348,791
4199 Transportation - Operations	14,543,944	12,680,909	(1,863,035)	11,762,413
4300 Other State Agencies - Unassigned	121,792	42,800	(78,992)	44,307
4321 Special Education, Other State Agencies	-	164,600	164,600	84,902
4358 Special & Pilot Programs	6,780	-	(6,780)	-
4388 Day Care, Other State Agencies	4,378,420	4,283,525	(94,895)	1,396,649
TOTAL STATE, SPECIAL PURPOSE	86,896,294	80,556,621	(6,339,673)	77,377,375
6000 FEDERAL, SPECIAL PURPOSE				
6100 Special Purpose, OSPI, Unassigned	18,396	301,147	282,751	299,414
6111 Federal Special Purpose - GEER	-	12,677,685	12,677,685	1,232,486
6112 Federal Special Purpose - ESSER II	22,556,805	18,846,805	(3,710,000)	-
6113 Federal Special Purpose - ESSER III	7,831,117	6,965,130	(865,987)	-
6114 Federal Special Purpose - ESSER III LL	15,927,975	15,927,975	-	-
6119 Federal Stimulus - Other	351,870	351,870	-	-
6122 Special Ed - Infants and Toddlers - Medicaid	-	-	-	90,683
6123 ARP-IDEA-Federal	1,647,172	1,647,170	(2)	-
6124 Special Ed., Supplemental	6,508,485	6,683,277	174,792	6,370,256
6138 Vocational Education	246,825	262,917	16,092	269,670

The basis of budgeting is the same as GAAP.

**SPOKANE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2022
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2021)**

		2022		VARIANCE POSITIVE (NEGATIVE)	2021 ACTUAL
		BUDGET	ACTUAL		
6146	Skills Center Vocational Education	\$ 69,183	\$ 82,320	\$ 13,137	\$ 87,284
6151	ESEA Disadvantaged	12,861,552	12,144,978	(716,574)	11,499,393
6152	Other Title, ESEA	1,964,020	1,809,055	(154,965)	2,275,163
6164	Limited English Proficiency	262,337	238,460	(23,877)	168,508
6176	Targeted Assistance - ESSER I	-	51,359	51,359	8,652,444
6188	Child Care	45,270	75,879	30,609	1,324,702
6189	Other Community Services	377,250	-	(377,250)	-
6198	Food Services	11,765,682	19,758,183	7,992,501	15,985,935
6200	Direct Special Purpose Grants	59,330	70,014	10,684	63,678
6268	Indian Education (92-318)	227,640	226,694	(946)	211,645
6300	Fed Grants Thru Other Agencies	4,905,061	1,187,965	(3,717,096)	1,024,894
6321	Special Education, Medical Reimb	-	580,170	580,170	269,163
6388	Child Care	-	1,124,000	1,124,000	-
6389	Other Community Services	729,690	65,796	(663,894)	69,659
6998	USDA Commodities	1,083,131	1,192,279	109,148	703,653
TOTAL FEDERAL, SPECIAL PURPOSE		89,438,791	102,271,128	12,832,337	50,598,630
7000	REVENUES FROM OTHER DISTRICTS				
7100	Program Participation	1,050,551	1,989,732	939,181	629,720
7121	Special Education	191,140	213,080	21,940	187,330
7131	Vocational Education	22,635	96,942	74,307	19,935
7145	Skills Center, Operation	-	-	-	12,490
7147	Skills Center, Facility Upgrades	-	-	-	38,062
7197	Support Services	30,921	-	(30,921)	-
7301	Nonhigh Participation	6,665	-	(6,665)	-
TOTAL REVENUES FROM OTHER DISTRICTS		1,301,912	2,299,754	997,842	887,537
8000	REVENUES FROM OTHER AGENCIES				
8100	Agency & Association Grants	-	6,182	6,182	6,365
8189	Community Services	107,362	304,847	197,485	423
8200	Private Foundations	705,072	302,701	(402,371)	507,790
TOTAL REVENUES FROM OTHER AGENCIES		812,434	613,730	(198,704)	514,578
TOTAL REVENUES		526,304,147	514,737,225	(11,566,922)	444,528,469
9000	OTHER FINANCING SOURCES				
9300	Sale of Surplus Equipment	30,180	113,380	83,200	35,770
9500	Long-Term Financing	-	1,307,554	1,307,554	-
TOTAL OTHER FINANCING SOURCES		30,180	1,420,934	1,390,754	35,770
TOTAL REVENUES AND OTHER FINANCING SOURCES		\$ 526,334,327	\$ 516,158,159	\$ (10,176,168)	\$ 444,564,239

The basis of budgeting is the same as GAAP.

SPOKANE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY PROGRAM
BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2022

PROGRAM NUMBER AND DESCRIPTION	2022		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
	BUDGET	ACTUAL		
01 Basic Education	\$ 246,925,430	\$ 231,814,013	\$ 15,111,417	% 93.88
02 Basic Ed., Alternative Learning Experience	10,038,856	11,373,443	(1,334,587)	113.29
03 Basic Ed., Dropout Rengagement	726,259	785,111	(58,852)	108.10
12 Federal Stimulus, CRRSA	20,177,252	17,300,305	2,876,947	85.74
13 Federal Stimulus, ARP-ESSER	8,039,639	6,347,943	1,691,696	78.96
14 Federal Stimulus, ARP-ESSER	15,075,860	14,620,869	454,991	96.98
18 Federal Stimulus, Competitive Grant	361,333	-	361,333	0.00
19 Federal Stimulus, Other	974,009	352,031	621,978	36.14
21 Special Educ., Basic, State	60,852,108	58,033,642	2,818,466	95.37
23 Sp Ed, Sup, IDEA, Fed	1,611,643	1,607,937	3,706	99.77
24 Special Educ., Supp., Federal	6,353,462	6,515,543	(162,081)	102.55
31 Vocational Education, High School	10,483,099	11,484,158	(1,001,059)	109.55
34 Vocational Education, Middle School	2,136,648	2,390,223	(253,575)	111.87
38 Voc. Ed., Federal	240,680	257,741	(17,061)	107.09
39 Voc. Ed., Other Categorical	10,060	1,336	8,724	13.28
45 Skills Center, Regular Program	4,328,237	3,966,664	361,573	91.65
46 Skills Center, Federal	67,231	80,359	(13,128)	119.53
47 Skill Center, Facility Upgrades	60,600	-	60,600	0.00
51 ESEA Disadvantaged, Federal	12,572,385	11,899,853	672,532	94.65
52 Other Title, ESEA, Federal	1,882,783	1,764,007	118,776	93.69
55 Learning Assistance, State	16,594,603	15,560,193	1,034,410	93.77
58 Special and Pilot Programs	5,055,357	4,830,450	224,907	95.55
64 Language Enhancement Program, Federal	286,269	232,780	53,489	81.32
65 Trans. Bilingual, State	6,749,902	6,252,620	497,282	92.63
68 Indian Education, Federal	236,825	221,097	15,728	93.36
69 Other Compensatory	950,185	609,809	340,376	64.18
73 Summer School	263,015	56,693	206,322	21.56
74 Highly Capable	1,903,004	1,876,771	26,233	98.62
79 Other Instructional	1,885,196	1,038,760	846,436	55.10
86 Community Schools	8,018	-	8,018	0.00
88 Day Care	6,677,210	5,967,932	709,278	89.38
89 Other Community Services	7,074,586	4,787,069	2,287,517	67.67
97 General Support Services	52,309,331	51,653,413	655,918	98.75
98 Food Services	15,749,330	16,823,290	(1,073,960)	106.82
99 Pupil Transportation	14,571,844	11,398,039	3,173,805	78.22
TOTAL EXPENDITURES	\$ 533,888,239	\$ 501,904,094	\$ 31,984,145	% 94.01

The basis of budgeting is the same as GAAP.

**SPOKANE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY ACTIVITY
BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2022**

	2022		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
	BUDGET	ACTUAL		
ADMINISTRATION				
11 Board of Directors	\$ 1,773,396	\$ 1,598,048	\$ 175,348	% 90.11
12 Superintendent's Office	638,170	631,553	6,617	98.96
13 Business Office	3,389,890	2,900,225	489,665	85.56
14 Human Resources	4,447,388	3,825,968	621,420	86.03
15 Public Relations	884,338	935,199	(50,861)	105.75
TOTAL ADMINISTRATION	11,133,182	9,890,993	1,242,189	88.84
INSTRUCTION				
21 Supervision	9,779,573	8,643,035	1,136,538	88.38
22 Learning Resources	5,534,379	1,140,240	4,394,139	20.60
23 Principal's Office	29,224,816	28,098,696	1,126,120	96.15
24 Guidance and Counseling	17,532,995	18,201,590	(668,595)	103.81
25 Pupil Management & Safety	2,591,958	2,381,010	210,948	91.86
26 Health Services	18,948,325	17,952,990	995,335	94.75
27 Teaching	308,749,377	294,003,741	14,745,636	95.22
28 Extra Curricular	8,076,582	7,121,677	954,905	88.18
TOTAL INSTRUCTION	400,438,005	377,542,979	22,895,026	94.28
INSTRUCTIONAL SUPPORT				
31 Instructional Professional Development	18,858,299	14,472,704	4,385,595	76.74
32 Instructional Technology	12,716,469	15,343,415	(2,626,946)	120.66
33 Curriculum	6,372,538	4,200,304	2,172,234	65.91
34 Professional Learning	3,776,088	2,765,232	1,010,856	73.23
TOTAL INSTRUCTIONAL SUPPORT	41,723,394	36,781,655	4,941,739	88.16
FOOD SERVICE				
41 Supervision	1,125,233	1,069,523	55,710	95.05
42 Food	6,474,907	7,355,729	(880,822)	113.60
44 Operations	8,937,182	9,057,034	(119,852)	101.34
49 Food Service Transfers	(787,992)	(658,997)	(128,995)	83.63
TOTAL FOOD SERVICE	15,749,330	16,823,289	(1,073,959)	106.82
PUPIL TRANSPORTATION				
51 Supervision	428,770	609,073	(180,303)	142.05
52 Operations	12,961,395	10,122,945	2,838,450	78.10
TOTAL PUPIL TRANSPORTATION	13,390,165	10,732,018	2,658,147	80.15

The basis of budgeting is the same as GAAP.

**SPOKANE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY ACTIVITY
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2022**

	2022		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
	BUDGET	ACTUAL		
MAINTENANCE & OPERATIONS				
61 Supervision	\$ 1,170,641	\$ 1,100,174	\$ 70,467	% 93.98
62 Grounds Care	1,051,565	1,893,334	(841,769)	180.05
63 Operation of Plant	15,224,021	15,330,928	(106,907)	100.70
64 Plant	8,623,833	8,111,585	512,248	94.06
65 Utilities	6,677,331	7,343,701	(666,370)	109.98
67 Plant Security	948,802	825,373	123,429	86.99
68 Insurance	2,365,061	2,042,837	322,224	86.38
TOTAL MAINTENANCE & OPERATIONS	36,061,254	36,647,932	(586,678)	101.63
OTHER SUPPORT SERVICES				
72 Information Services	4,656,825	4,712,760	(55,935)	101.20
73 Printing	365,603	399,555	(33,952)	109.29
74 Warehouse & Distributions	1,002,445	1,020,405	(17,960)	101.79
75 District Motor Pool	(88,819)	-	(88,819)	0.00
TOTAL OTHER SUPPORT SERVICES	5,936,054	6,132,720	(196,666)	103.31
DEBT SERVICE				
83 Interest	-	8,316	(8,316)	0.00
84 Principal	-	248,619	(248,619)	0.00
TOTAL DEBT SERVICE	-	256,935	(256,935)	0.00
PUBLIC ACTIVITIES				
91 Public Activities	9,456,855	7,095,573	2,361,282	75.03
TOTAL GENERAL FUND	\$ 533,888,239	\$ 501,904,094	\$ 31,984,145	% 94.01

The basis of budgeting is the same as GAAP.

**SPOKANE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES BY OBJECT
BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2022**

	2022		VARIANCE POSITIVE (NEGATIVE)	PERCENT EXPENDED
	BUDGET	ACTUAL		
0 Debit Transfer	\$ 2,792,988	\$ 2,298,836	\$ 494,152	%
1 Credit Transfer	(2,792,988)	(2,298,836)	(494,152)	82.31
2 Certificated Salaries	247,802,987	244,739,314	3,063,673	98.76
3 Classified Salaries	74,794,752	67,724,111	7,070,641	90.55
4 Employee Benefits	124,086,720	115,546,363	8,540,357	93.12
5 Supplies & Materials	40,872,623	35,172,836	5,699,787	86.05
7 Contractual Services	44,829,474	36,392,899	8,436,575	81.18
8 Travel	712,473	566,033	146,440	79.45
9 Capital Outlay	789,210	1,762,538	(973,328)	223.33
TOTAL GENERAL FUND	\$ 533,888,239	\$ 501,904,094	\$ 31,984,145	% 94.01

The basis of budgeting is the same as GAAP.

**SPOKANE PUBLIC SCHOOLS
SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)
COMPARATIVE BALANCE SHEET
AUGUST 31, 2022 AND 2021**

	2022	2021
ASSETS		
Cash on Deposit with County Treasurer	\$ 1,742,207	\$ 1,709,738
Accounts Receivable	445	445
Due from Other Funds	63,058	-
Prepaid Items	3,000	
TOTAL ASSETS	\$ 1,808,710	\$ 1,710,183
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 54,276	\$ 75,538
Due to Other Government	-	18,508
Total Liabilities	54,276	94,046
Fund Balance:		
Non-spendable Inventory and Prepays	3,000	-
Restricted Student Body Funds	1,751,434	1,616,137
Total Fund Balance	1,754,434	1,616,137
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,808,710	\$ 1,710,183

SPOKANE PUBLIC SCHOOLS
SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2022
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2021)

	2022			2021
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
REVENUES				
General	\$ 575,000	\$ 492,634	\$ (82,366)	\$ 249,801
Athletics	940,000	584,196	(355,804)	98,575
Classes	703,000	316,622	(386,378)	34,107
Clubs	280,000	161,114	(118,886)	56,616
Total Revenues	2,498,000	1,554,566	(943,434)	439,099
EXPENDITURES				
General	529,000	447,404	81,596	546,429
Athletics	1,107,000	554,473	552,527	(111,329)
Classes	709,000	284,265	424,735	84,193
Clubs	238,000	130,127	107,873	34,594
Total Expenditures	2,583,000	1,416,269	1,166,731	553,887
Excess of Revenues Over/ (Under) Expenditures	(85,000)	138,297	223,297	(114,788)
FUND BALANCE - September 1	1,560,000	1,616,137	56,137	1,730,925
FUND BALANCE - August 31	\$ 1,475,000	\$ 1,754,434	\$ 279,434	\$ 1,616,137

The basis of budgeting is the same as GAAP.

**SPOKANE PUBLIC SCHOOLS
DEBT SERVICE FUND (BOND FUND)
COMPARATIVE BALANCE SHEET
AUGUST 31, 2022 AND 2021**

	2022	2021
ASSETS		
Cash on Deposit with County Treasurer	\$ 26,793,382	\$ 33,812,378
Property Tax Receivable	26,008,774	29,747,825
TOTAL ASSETS	\$ 52,802,156	\$ 63,560,203
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to Other Funds	\$ -	\$ -
Total Liabilities	-	-
Deferred Inflows of Resources		
Unavailable Revenue-Taxes Receivable	24,758,713	28,141,126
Total Deferred Inflows	24,758,713	28,141,126
Fund Balance:		
Restricted for Debt Service	28,043,443	35,419,077
Total Fund Balance	28,043,443	35,419,077
TOTAL LIABILITIES AND FUND BALANCE	\$ 52,802,156	\$ 63,560,203

SPOKANE PUBLIC SCHOOLS
DEBT SERVICE FUND (BOND FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2022
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2021)

	2022			2021
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
REVENUES				
Local Taxes	\$ 65,600,000	\$ 60,115,706	\$ (5,484,294)	\$ 62,221,825
Local Non-Tax	209,000	184,168	(24,832)	229,094
Federal	-	-	-	607,764
Total Revenues	65,809,000	60,299,874	(5,509,126)	63,058,683
EXPENDITURES				
DEBT SERVICE				
Bonds Redeemed	43,900,000	42,960,000	940,000	34,075,000
Interest on Bonds	25,000,000	24,712,312	287,688	19,841,953
Other Expenditures	100,000	3,196	96,804	3,462
Total Expenditures	69,000,000	67,675,508	1,324,492	53,920,415
Excess of Revenues Over/(Under) Expenditures	(3,191,000)	(7,375,634)	(4,184,634)	9,138,268
OTHER FINANCING SOURCES/(USES)				
Issuance of Refunding Bonds	-	-	-	58,010,000
Issuance of Bonds Premium	-	-	-	8,196,780
Payment to Bond Refunding Escrow Agent	-	-	-	(66,202,111)
TOTAL OTHER FINANCING SOURCES/(USES)	-	-	-	4,669
Excess of Revenues & Other Financing Sources Over/(Under) Expenditures	(3,191,000)	(7,375,634)	(4,184,634)	9,142,937
FUND BALANCE - September 1	30,800,000	35,419,077	4,619,077	26,276,140
FUND BALANCE - August 31	\$ 27,609,000	\$ 28,043,443	\$ 434,443	\$ 35,419,077

The basis of budgeting is the same as GAAP.

**SPOKANE PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
AUGUST 31, 2022 AND 2021**

	2022	2021
ASSETS		
Cash on Hand and in Bank		
Cash on Deposit with County Treasurer	\$ 89,073,653	\$ 209,701,862
Accounts Receivable	20	5,065
Due from Other Funds	1,230,170	3,793,847
Due from Other Government	2,202,218	21,811,464
TOTAL ASSETS	\$ 92,506,061	\$ 235,312,238
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 40,175,692	\$ 33,720,628
Accrued Wages and Benefits Payable	29,990	42,406
Total Liabilities	40,205,682	33,763,034
Fund Balance:		
Restricted for Bond Proceeds	-	132,824,482
Restricted for Debt Service	101,000	144,000
Restricted for State Match	35,433,330	51,911,737
Assigned to Fund Purpose	16,766,049	16,668,985
Total Fund Balance	52,300,379	201,549,204
TOTAL LIABILITIES AND FUND BALANCE	\$ 92,506,061	\$ 235,312,238

**SPOKANE PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2022
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2021)**

	2022			2021
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
REVENUES				
Local Non-Tax	\$ 1,731,000	\$ 1,005,947	\$ (725,053)	\$ 1,680,839
State, Special Purpose	27,041,000	6,774,560	(20,266,440)	27,161,781
Federal	-	712	712	138,000
TOTAL REVENUES	28,772,000	7,781,219	(20,990,781)	28,980,620
EXPENDITURES				
Capital Outlay				
Sites	-	12,634,717	(12,634,717)	2,852,066
Building	151,549,000	138,019,348	13,529,652	129,077,734
Equipment	1,000,000	4,402,335	(3,402,335)	2,121,766
Instructional Technology	4,530,000	1,944,357	2,585,643	825,758
Energy	-	29,287	(29,287)	4,000
Sales and Lease	-	-	-	1,748
Debt Service				
Bond Issuance	-	-	-	864,479
TOTAL EXPENDITURES	157,079,000	157,030,044	48,956	135,747,551
Excess Of Revenues Over/ (Under) Expenditures	(128,307,000)	(149,248,825)	(20,941,825)	(106,766,931)
OTHER FINANCING SOURCES/(USES)				
Issuance of Bonds	-	-	-	172,775,000
Issuance of Bonds Premium	-	-	-	28,089,379
Other - Sale of Property	-	-	-	4,391
TOTAL OTHER FINANCING SOURCES/(USES)	-	-	-	200,868,770
Excess of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Uses	(128,307,000)	(149,248,825)	(20,941,825)	94,101,839
FUND BALANCE - September 1	153,100,000	201,549,204	48,449,204	107,447,365
FUND BALANCE - August 31	\$ 24,793,000	\$ 52,300,379	\$ 27,507,379	\$ 201,549,204

The basis of budgeting is the same as GAAP.

**SPOKANE PUBLIC SCHOOLS
FIDUCIARY FUNDS
COMPARATIVE BALANCE SHEET
AUGUST 31, 2022 AND 2021**

	Custodial Funds	Private Purpose Trust	2022 TOTAL	2021 TOTAL
ASSETS				
Cash and Cash Equivalents	\$ 322,355	\$ 85,190	\$ 407,545	\$ 418,260
TOTAL ASSETS	\$ 322,355	\$ 85,190	\$ 407,545	\$ 418,260
LIABILITIES				
Account Payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
NET POSITION				
Held in Trust for Intact Trust Principal	-	75,000	75,000	75,000
Held in Trust for Private Purposes	322,355	-	322,355	333,737
Held in Trust for Other Purposes	-	10,190	10,190	9,523
TOTAL NET POSITION	\$ 322,355	\$ 85,190	\$ 407,545	\$ 418,260

SPOKANE PUBLIC SCHOOLS
FIDUCIARY FUNDS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2022
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2021)

	Custodial Funds	Private Purpose Trust	2022 TOTAL	2021 TOTAL
ADDITIONS				
Donations	\$ 128,721	\$ -	\$ 128,721	\$ 174,874
Investment Earnings	-	667	667	1,007
TOTAL ADDITIONS	128,721	667	129,388	175,881
DEDUCTIONS				
Scholarships	140,102	-	140,102	98,612
Benefits	-	-	-	-
TOTAL DEDUCTIONS	140,102	-	140,102	98,612
CHANGE IN NET POSITION	(11,381)	667	(10,714)	77,269
Net Position, Beginning of the Year	333,736	84,524	418,260	340,991
Net Position, End of the Year	\$ 322,355	\$ 85,191	\$ 407,546	\$ 418,260



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Statistical Section

Financial Trends:

These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.

- Revenues, Expenses and Changes in Net Position
- Net Position by Component
- General Governmental Revenues by Source
- General Governmental Expenditures by Activity
- Changes in Fund Balance—All Governmental Funds
- Fund Balance—All Governmental Funds

Revenue Capacity:

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax

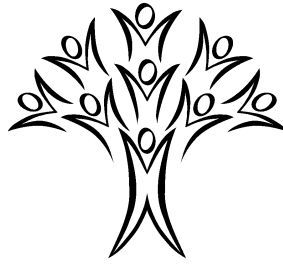
- Property Tax Levies and Collection
- Property Tax Rates
- Assessed and Estimated Actual Taxable Property Value and Construction Permits
- Ten Principal Taxpayers
- Direct and Overlapping Tax Rates

Debt Capacity:

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

- Direct and Overlapping Debt and Debt Ratios
- Debt Requirements by Bond Issue
- Ratio of Annual Debt Service Expenditures for General Bonded Debt to General Fund Expenditures, Debt Service Per Capita, and Bonded Debt Per Capita
- Legal Debt Limit

- CONTINUED ON NEXT PAGE -



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Statistical Section

- CONTINUED FROM PREVIOUS PAGE -

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district 's financial activity takes place.

- Population History
- Personal and Per Capita Income
- Major Employers - Spokane County
- Unemployment Rates for Spokane

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

- Buildings and Property
- Enrollment History –Annual Average FTE
- Free and Reduced Meal Applications, Percentage of Students Approved
- Operating Statistics - Government Wide Basis
- Full Time Equivalent District Employees By Program
- Certificated Instructional Staff Information
- Classified Staff Information

SPOKANE PUBLIC SCHOOLS
REVENUES, EXPENSES AND CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

Table I

	Fiscal Year				
	2022	2021	2020	2019	2018
PROGRAM EXPENSES:					
Regular Instruction	\$ 273,693,916	\$ 241,182,172	\$ 252,616,563	\$ 259,243,692	\$ 238,384,309
Federal Stimulus	38,621,148	-	-	-	-
Special Instruction	67,441,499	56,199,951	62,518,757	61,903,840	55,745,716
Vocational Instruction	14,333,992	12,683,989	11,131,051	11,298,917	11,053,415
Skills Center	4,764,272	4,383,506	4,110,069	4,250,796	4,202,587
Compensatory Instruction	41,331,338	41,370,809	38,348,614	39,435,287	33,776,026
Other Instructional Programs	2,972,224	2,972,224	2,598,935	3,801,180	3,784,807
Community Services	10,755,001	10,755,001	10,751,136	8,401,629	7,675,301
Support Services	85,064,567	71,150,530	70,253,014	90,767,606	78,258,524
Extracurricular Activities	1,405,777	25,529,491	1,189,681	1,999,797	2,171,473
Debt Payment	19,111,427	22,523,158	18,625,537	13,314,484	12,169,599
TOTAL EXPENSES	559,495,161	488,750,831	472,143,357	494,417,228	447,221,757
Program Revenues:					
Charges for Services:					
School Breakfast & Lunch Program	79,046	(4,269)	1,800,621	2,701,929	2,534,169
Before and After School Childcare Program	1,936,414	685,590	1,653,297	2,236,452	2,091,921
Other Programs Including Donations and Fundraising	8,420,085	7,048,777	7,807,490	7,514,978	4,499,335
Operating Grants and Contributions	220,256,406	141,294,758	158,231,251	155,743,203	136,245,002
Capital Grants and Contributions	7,012,638	27,684,794	2,723,176	10,910,047	5,547,278
Total Program Revenues	237,704,589	176,709,650	172,215,835	179,106,609	150,917,705
Net Expense	321,790,572	312,041,181	299,927,522	315,310,619	296,304,052
General Revenues and Other Changes in Net Position:					
Unallocated State Appropriations	230,956,189	291,168,031	252,260,630	239,748,398	204,299,650
Property Taxes	122,662,108	117,067,034	91,792,890	82,181,566	102,363,468
Gain (Loss) on Sale of Assets	113,380	110,376	45,507	-	(464,177)
Interest and Investment Earnings	1,882,614	2,601,027	4,263,498	3,836,724	1,656,109
Total General Revenues	355,614,291	410,946,468	348,362,525	325,766,688	307,855,050
Increase (Decrease) in Net Position	\$ 33,823,719	\$ 98,905,287	\$ 48,435,003	\$ 10,456,069	\$ 11,550,998

Note: Restated in accordance with GASB Statement number 65

Source: Spokane School District No. 81

SPOKANE PUBLIC SCHOOLS
REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

Table I

	Fiscal Year				
	2017	2016	2015	2014	2013
PROGRAM EXPENSES:					
Regular Instruction	\$ 228,899,386	\$ 217,347,699	\$ 194,323,359	\$ 197,290,530	\$ 180,046,442
Federal Stimulus	-	-	-	-	-
Special Instruction	50,967,309	46,248,187	40,381,565	39,899,947	37,533,327
Vocational Instruction	11,586,107	11,901,994	11,564,418	13,080,217	12,246,870
Skills Center	4,341,605	3,724,444	3,466,172	3,516,291	3,351,601
Compensatory Instruction	29,525,502	28,720,268	26,433,694	26,052,323	25,431,970
Other Instructional Programs	3,661,416	3,751,004	3,604,549	3,104,407	2,862,480
Community Services	7,258,971	6,899,127	4,841,351	3,861,146	7,713,199
Support Services	78,345,391	75,852,579	73,145,916	73,254,150	71,898,750
Extracurricular Activities	2,145,205	2,083,045	1,768,804	2,398,741	2,150,131
Debt Payment	14,595,492	11,379,728	13,953,195	11,594,968	12,533,023
TOTAL EXPENSES	431,326,384	407,908,075	373,483,023	374,052,720	355,767,793
Program Revenues:					
Charges for Services:					
School Breakfast & Lunch Program	2,245,156	2,344,112	2,319,739	2,366,586	2,291,956
Before and After School Childcare Program	1,852,857	1,764,123	1,728,254	1,718,234	1,812,218
Other Programs Including Donations and Fundraising	4,227,406	4,648,676	3,726,823	3,917,047	3,771,974
Operating Grants and Contributions	128,892,998	125,755,926	114,215,076	107,098,607	106,674,271
Capital Grants and Contributions	14,220,130	10,714,744	31,269,451	22,171,997	18,242,107
Total Program Revenues	151,438,547	145,227,581	153,259,343	137,272,471	132,792,526
Net Expense	279,887,837	262,680,494	220,223,680	236,780,249	222,975,267
General Revenues and Other Changes in Net Position:					
Unallocated State Appropriations	185,271,462	173,233,742	155,153,606	146,282,098	129,113,872
Property Taxes	100,744,751	97,163,096	94,635,125	91,914,091	91,620,560
Gain (Loss) on Sale of Assets	28,064	26,351	-	24,123	-
Interest and Investment Earnings	1,062,549	923,274	753,371	856,953	1,014,079
Total General Revenues	287,106,826	271,346,463	250,542,102	239,077,265	221,748,511
Increase (Decrease) in Net Position	\$ 7,218,989	\$ 8,665,969	\$ 30,318,422	\$ 2,297,016	\$ (1,226,756)

Note: Restated in accordance with GASB Statement number 65

Source: Spokane School District No. 81

**SPOKANE PUBLIC SCHOOLS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

Table II

	Fiscal Year				
	2022	2021	2020	2019	2018
Governmental Activities					
Net Investment in Capital Assets	\$ 252,060,604	\$ 209,755,574	\$ 192,820,951	\$ 154,447,855	\$ 176,260,482
Restricted	105,106,490	133,564,314	102,233,719	129,475,182	91,439,767
Unrestricted *	(178,921,640)	(198,898,153)	(240,083,059)	(277,386,429)	(271,619,710)
Total Governmental Activities Net Position	<u>\$ 178,245,454</u>	<u>\$ 144,421,735</u>	<u>\$ 54,971,611</u>	<u>\$ 6,536,608</u>	<u>\$ (3,919,461)</u>

* Significant decrease in fiscal year 2015 in the Unrestricted Net Position is due to the implementation of GASB Statement 68, Accounting and Financial Reporting for Pensions, and GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Note: Restated in accordance with GASB Statement number 65.

Source: Spokane School District No. 81

SPOKANE PUBLIC SCHOOLS
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS

Table II

	Fiscal Year				
	2017	2016	2015	2014	2013
Governmental Activities					
Net Investment in Capital Assets	\$ 192,865,784	\$ 172,407,024	\$ 165,983,970	\$ 145,106,216	\$ 149,420,557
Restricted	72,916,670	86,880,722	70,052,425	66,556,917	63,139,393
Unrestricted *	(181,313,241)	(182,037,522)	(167,452,140)	7,386,947	4,193,114
Total Governmental Activities Net Position	<u>\$ 84,469,213</u>	<u>\$ 77,250,224</u>	<u>\$ 68,584,255</u>	<u>\$ 219,050,080</u>	<u>\$ 216,753,064</u>

* Significant decrease in fiscal year 2015 in the Unrestricted Net Position is due to the implementation of GASB Statement 68, Accounting and Financial Reporting for Pensions, and GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Note: Restated in accordance with GASB Statement number 65.

Source: Spokane School District No. 81

**SPOKANE PUBLIC SCHOOLS
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

GENERAL FUND

Fiscal Year	Local Taxes	Local Non-tax	State	Federal	Other Agencies and Associations	Total General Fund Revenues
2013	\$ 63,357,202	\$ 8,747,079	\$ 196,510,057	\$ 34,756,072	\$ 2,348,923	\$ 305,719,333
2014	61,087,640	6,956,305	218,388,224	32,513,908	921,389	319,867,466
2015	63,804,129	6,990,876	234,139,888	32,404,491	1,285,842	338,625,226
2016	64,271,660	7,835,737	260,029,588	36,101,679	1,204,394	369,443,058
2017	66,660,133	7,734,524	274,093,536	36,707,098	1,389,954	386,585,245
2018	68,129,089	8,365,863	300,115,570	37,297,091	1,627,367	415,534,980
2019	46,881,639	12,177,756	355,977,431	37,077,356	1,161,973	453,276,155
2020	32,793,506	11,257,405	374,452,277	33,417,775	1,446,615	453,367,578
2021	37,294,462	9,584,027	345,649,235	50,598,630	1,402,115	444,528,469
2022	53,610,314	10,043,899	345,898,400	102,271,128	2,913,484	514,737,225

DEBT SERVICE FUND

Fiscal Year	Local Taxes	Local Non-tax	State	Federal	Other Agencies and Associations	Total Debt Service Fund Revenues
2013	\$ 30,821,275	\$ 49,656	\$ -	\$ 719,683	\$ -	\$ 31,590,614
2014	29,285,286	75,582	-	698,239	-	30,059,107
2015	30,789,107	60,650	-	702,261	-	31,552,018
2016	31,327,121	61,529	-	701,248	-	32,089,898
2017	32,746,228	90,203	-	700,464	-	33,536,895
2018	33,535,395	135,317	-	702,753	-	34,373,465
2019	45,168,359	299,226	-	709,407	-	46,176,992
2020	54,624,726	342,369	-	714,087	-	55,681,182
2021	62,221,825	229,094	-	607,764	-	63,058,683
2022	60,115,706	184,168	-	-	-	60,299,874

**SPOKANE PUBLIC SCHOOLS
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS (CONTINUED)**

CAPITAL PROJECTS FUND

Fiscal Year	Local		State	Federal	Other Agencies and Associations	Total Capital Projects Fund Revenues
	Local Taxes	Non-tax				
2013	\$ -	\$ 790,683	\$ 16,657,616	\$ 172,074	\$ -	\$ 17,620,373
2014	-	646,410	22,037,311	(1,622)	-	22,682,099
2015	-	705,023	29,707,041	1,153,772	-	31,565,836
2016	-	639,390	10,613,540	-	-	11,252,930
2017	-	616,742	14,139,684	177,016	-	14,933,442
2018	-	933,271	5,416,101	-	-	6,349,372
2019	-	2,629,207	9,387,766	1,242,823	-	13,259,796
2020	-	3,143,252	2,119,640	398,040	-	5,660,932
2021	-	1,680,839	27,161,781	138,000	-	28,980,620
2022	-	1,005,947	6,774,560	712	-	7,781,219

ALL GOVERNMENTAL FUNDS

Fiscal Year	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Total All Funds
2014	319,867,466	2,175,897	30,059,107	22,682,099	-	374,784,569
2015	338,625,226	2,015,603	31,552,018	31,565,836	-	403,758,683
2016	369,443,058	2,197,679	32,089,898	11,252,930	-	414,983,565
2017	386,585,245	2,122,773	33,536,895	14,933,442	-	437,178,355
2018	415,534,980	2,280,131	34,373,465	6,349,372	-	458,537,948
2019	453,276,155	2,027,122	46,176,992	13,259,796	-	514,740,065
2020	453,367,578	1,457,697	55,681,182	5,660,932	-	516,167,389
2021	444,528,469	439,099	63,058,683	28,980,620	-	537,006,871
2022	514,737,225	1,554,566	60,299,874	7,781,219	-	584,372,884

Please note that the following funds have only one revenue source:

Special Revenue Fund - local non tax

Transportation Vehicle Fund - local non-tax - fund was closed in fiscal year 2007

Source: Spokane School District No. 81

SPOKANE PUBLIC SCHOOLS
GENERAL GOVERNMENTAL EXPENDITURES BY ACTIVITY
LAST TEN FISCAL YEARS

Table IV

GENERAL FUND

Fiscal Year	Regular Instruction	Federal Stimulus	Special Education	Vocational Instruction	Skills Center	Compensatory Education
2013	\$ 156,154,057	\$ -	\$ 36,787,454	\$ 12,075,024	\$ 2,945,247	\$ 25,431,970
2014	171,605,859	-	39,145,401	12,805,270	3,103,791	26,052,323
2015	176,626,354	-	40,810,555	11,670,649	3,147,656	26,433,694
2016	191,539,712	-	44,842,862	11,586,851	3,321,369	28,720,268
2017	204,567,829	-	50,233,621	11,439,872	3,577,829	29,525,502
2018	220,562,484	-	56,973,974	11,267,406	3,518,095	33,776,026
2019	244,819,855	-	64,667,720	11,781,119	3,653,629	39,435,287
2020	234,509,096	-	64,560,846	11,484,811	3,495,304	38,348,614
2021	242,282,860	-	64,489,530	12,057,362	3,841,960	40,829,472
2022	243,771,443	38,621,148	66,138,300	14,087,788	4,012,472	41,331,338

ALL GOVERNMENTAL FUNDS

Fiscal Year	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total All Funds
2013	\$ 305,713,256	\$ 2,150,131	\$ 26,909,891	\$ 61,564,052	\$ 396,337,330
2014	325,176,869	2,401,741	31,298,449	73,799,607	432,676,666
2015	336,639,553	1,768,804	33,091,302	53,297,325	424,796,984
2016	360,926,735	2,088,152	30,358,807	39,382,382	432,756,076
2017	382,071,236	2,151,679	32,793,909	52,490,130	469,506,954
2018	412,815,662	2,171,473	34,897,164	38,517,003	488,401,302
2019	456,966,091	1,999,797	31,530,645	47,332,580	537,829,113
2020	432,285,454	1,189,681	56,010,942	73,606,421	563,092,498
2021	450,705,908	553,887	53,920,415	135,747,551	640,927,761
2022	501,904,094	1,416,269	67,675,508	157,030,044	728,025,915

Please note that all funds other than general fund have only one primary function:
 Special Revenue Fund - student body extracurricular activities
 Debt Service Fund - repayment of long term debt
 Capital Projects Fund - procurement of or construction of capital assets

Source: Spokane School District No. 81

SPOKANE PUBLIC SCHOOLS
GENERAL GOVERNMENTAL EXPENDITURES BY ACTIVITY (CONTINUED)
LAST TEN FISCAL YEARS

Table IV

GENERAL FUND						
Fiscal Year	Other Instructional Programs	Community Services	Support Services	Capital Outlay	Debt Service	Total General Fund Expenditures
2013	\$ 2,862,480	\$ 7,644,182	\$ 60,546,608	\$ 1,266,234	\$ -	\$ 305,713,256
2014	3,104,407	3,861,146	64,531,720	966,952	-	325,176,869
2015	3,604,549	4,841,351	68,102,097	1,402,648	-	336,639,553
2016	3,751,004	6,899,127	69,123,553	1,141,989	-	360,926,735
2017	3,661,416	7,258,971	71,424,306	381,890	-	382,071,236
2018	3,784,807	7,675,301	74,550,935	706,634	-	412,815,662
2019	3,801,180	8,401,629	79,668,160	737,512	-	456,966,091
2020	2,598,935	10,751,136	66,266,986	269,726	-	432,285,454
2021	2,620,848	9,436,617	74,662,729	484,530	-	450,705,908
2022	2,972,224	10,755,001	78,194,907	1,762,538	256,935	501,904,094

Fiscal Year	Ratio of Total Debt Service Expenditures to Non-Capital Expenditures
2013	7.88%
2014	8.63%
2015	8.87%
2016	7.70%
2017	7.81%
2018	7.72%
2019	6.30%
2020	11.36%
2021	10.61%
2022	11.82%

Please note that all funds other than general fund have only one primary function:
 Special Revenue Fund - student body extracurricular activities
 Debt Service Fund - repayment of long term debt
 Capital Projects Fund - procurement of or construction of capital assets

Source: Spokane School District No. 81

**SPOKANE PUBLIC SCHOOLS
CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

Table V

	2022	2021	2020	2019	2018
Revenues	\$ 584,372,884	\$ 537,006,871	\$ 516,167,389	\$ 514,740,065	\$ 458,537,948
Expenditures	728,025,915	640,927,761	563,092,498	537,829,113	488,401,302
Revenues Over/(Under) Expenditures	(143,653,031)	(103,920,890)	(46,925,109)	(23,089,048)	(29,863,354)
Bond Issuance	-	172,775,000	-	127,910,000	45,865,000
Refunding Bond Issuance	-	58,010,000	-	-	64,320,000
Premium on Sale of Bonds	-	36,286,159	-	18,572,975	16,776,313
Discount on Sale of Bonds	-	-	-	-	-
Sale of Surplus Equipment and Property	113,380	40,161	56,004	94,287	1,110,343
Payment to Bond Refunding Escrow Agent	1,307,554	(66,202,111)	-	-	(77,864,779)
Total Other Financing Sources/Uses	1,420,934	200,909,209	56,004	146,577,262	50,206,877
Net Change in Fund Balances	(142,232,097)	96,988,319	(46,869,105)	123,488,214	20,343,523
Beginning Fund Balance	290,090,361	193,102,042	239,971,147	116,482,933	96,139,410
Ending Governmental Funds Balance	\$ 147,858,264	\$ 290,090,361	\$ 193,102,042	\$ 239,971,147	\$ 116,482,933

**SPOKANE PUBLIC SCHOOLS
CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS**

Table V

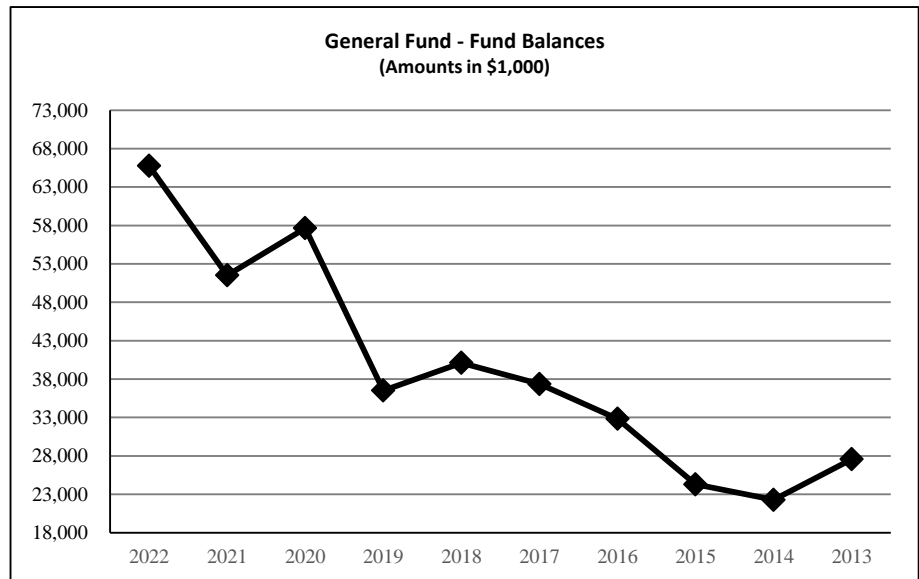
	2017	2016	2015	2014	2013
Revenues	\$ 437,178,355	\$ 414,983,565	\$ 403,758,683	\$ 374,784,569	\$ 357,112,497
Expenditures	469,506,954	432,756,076	424,796,984	432,676,666	396,337,330
Revenues Over/(Under) Expenditures	(32,328,599)	(17,772,511)	(21,038,301)	(57,892,097)	(39,224,833)
Bond Issuance	-	46,280,000	25,525,000	30,000,000	50,000,000
Refunding Bond Issuance	-	36,055,000	-	-	-
Premium on Sale of Bonds	-	9,786,106	2,251,988	520,257	831,670
Discount on Sale of Bonds	-	-	-	(123,195)	-
Sale of Surplus Equipment and Property	28,064	26,351	95,268	31,668	1,041,502
Payment to Bond Refunding Escrow Agent	-	(42,679,711)	-	-	-
Total Other Financing Sources/Uses	28,064	49,467,746	27,872,256	30,428,730	51,873,172
Net Change in Fund Balances	(32,300,535)	31,695,235	6,833,955	(27,463,367)	12,648,339
Beginning Fund Balance	128,439,945	96,744,710	89,910,755	117,374,122	104,725,783
Ending Governmental Funds Balance	\$ 96,139,410	\$ 128,439,945	\$ 96,744,710	\$ 89,910,755	\$ 117,374,122

SPOKANE PUBLIC SCHOOLS
FUND BALANCE
ALL GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Table VI

	2022	2021	2020	2019	2018
General Fund:					
Non-spendable Inventory and Prepaids	\$ 5,670,456	\$ 6,361,035	\$ 4,473,609	\$ 4,334,058	\$ 3,932,607
Restricted:					
Restricted for Debt Service	5,900,000	6,400,000	6,286,000	6,270,000	5,800,000
Restricted for Self-Insurance	800,000	1,863,600	2,720,000	3,200,000	2,900,000
Restricted for Legal Obligations	-	-	-	-	-
Restricted for Other	2,776,030	1,827,737	1,303,107	461,056	453,228
Committed:					
Committed to Other Items	-	-	-	-	-
Assigned:					
Assigned to Other Items	11,831,706	7,680,814	13,625,572	842,712	2,442,727
Unassigned Fund Balance	38,781,817	27,372,757	29,239,324	21,401,658	24,579,385
Total General Fund	\$ 65,760,009	\$ 51,505,943	\$ 57,647,612	\$ 36,509,484	\$ 40,107,947

All Other Governmental Funds					
Non-spendable Inventory and Prepaids	\$ 3,000	\$ -	\$ -	\$ -	\$ -
Restricted:					
Restricted for State Match	35,433,330	51,911,737	34,460,505	64,228,002	49,771,972
Restricted for Special Revenue Fund	1,751,434	1,616,137	1,730,925	1,462,909	1,435,584
Restricted for Bond Proceeds	-	132,824,482	56,525,716	96,460,954	-
Restricted for Debt Service	28,144,443	35,563,077	26,442,140	26,774,900	12,045,192
Assigned to Fund Purpose					
Debt Service Fund	-	-	-	-	-
Capital Projects Fund	16,766,049	16,668,985	16,295,144	14,534,898	13,122,238
Total All Other Governmental Funds	\$ 82,098,256	\$ 238,584,418	\$ 135,454,430	\$ 203,461,663	\$ 76,374,986



SPOKANE PUBLIC SCHOOLS
FUND BALANCE
ALL GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS

Table VI

	2017	2016	2015	2014	2013
General Fund:					
Non-spendable Inventory and Prepays	\$ 3,071,717	\$ 2,678,616	\$ 1,888,221	\$ 2,185,346	\$ 1,805,516
Restricted:					
Restricted for Debt Service	5,500,000	5,600,000	5,040,000	5,112,412	4,650,000
Restricted for Self-Insurance	3,290,000	2,815,000	2,560,000	2,500,000	2,500,000
Restricted for Legal Obligations	-	-	-	-	-
Restricted for Other	345,690	395,515	613,954	-	-
Committed:					
Committed to Other Items	-	-	1,500,000	5,472,000	10,450,000
Assigned:					
Assigned to Other Items	6,857,327	13,671,659	3,700,000	300,000	1,081,000
Unassigned Fund Balance	18,305,528	7,667,399	9,000,028	6,718,104	7,079,081
Total General Fund	\$ 37,370,262	\$ 32,828,189	\$ 24,302,203	\$ 22,287,862	\$ 27,565,597
All Other Governmental Funds					
Non-spendable Inventory and Prepays	\$ 1,750	\$ 35,159	\$ 1,000	\$ -	\$ -
Restricted:					
Restricted for State Match	30,824,945	46,715,613	47,694,211	-	-
Restricted for Special Revenue Fund	1,325,176	1,320,673	1,245,305	999,506	1,225,350
Restricted for Bond Proceeds	-	21,998,779	-	-	39,229,000
Restricted for Debt Service	13,668,195	12,935,209	11,009,734	12,601,997	13,729,527
Assigned to Fund Purpose					
Debt Service Fund	-	-	-	-	-
Capital Projects Fund	12,949,082	12,606,323	12,492,257	54,021,390	35,624,648
Total All Other Governmental Funds	\$ 58,769,148	\$ 95,611,756	\$ 72,442,507	\$ 67,622,893	\$ 89,808,525

**SPOKANE PUBLIC SCHOOLS
PROPERTY TAX LEVIES AND COLLECTION
LAST TEN LEVY YEARS**

Table VII

GENERAL FUND

Levy Year	Total Tax Levy	Adjustment by County	Adjusted Tax Levy	Current Collections	Percent of Current Levy Collected
2013	\$ 62,279,045	\$ (500,810)	\$ 61,778,235	\$ 60,474,025	97.10%
2014	62,800,534	(301,974)	62,498,560	61,297,758	97.61%
2015	64,078,435	(301,364)	63,777,071	62,676,081	97.81%
2016	65,786,086	(647,433)	65,138,653	63,814,857	97.00%
2017	68,028,138	(600,657)	67,427,481	66,193,917	97.30%
2018	69,700,746	(867,462)	68,833,284	67,330,802	96.60%
2019	29,999,150	(257,076)	29,742,074	29,264,703	97.55%
2020	35,287,477	(156,406)	35,131,071	33,579,781	95.16%
2021	38,281,046	(133,576)	38,147,470	37,407,524	97.72%
2022	65,700,000	(150,786)	65,549,214	64,364,728	97.97%

DEBT SERVICE FUND

Levy Year	Total Tax Levy	Adjustment by County	Adjusted Tax Levy	Current Collections	Percent of Current Levy Collected
2013	\$ 29,800,000	\$ (239,707)	\$ 29,560,293	\$ 28,936,240	97.10%
2014	30,110,000	(144,929)	29,965,071	29,389,343	97.61%
2015	31,059,716	(146,085)	30,913,631	30,379,965	97.81%
2016	32,200,000	(317,126)	31,882,874	31,234,927	97.00%
2017	33,507,834	(295,983)	33,211,851	32,604,250	97.30%
2018	34,297,813	(426,999)	33,870,814	33,131,487	96.60%
2019	53,450,000	(458,413)	52,991,587	52,141,054	97.55%
2020	57,000,000	(253,090)	56,746,910	54,898,476	96.31%
2021	65,700,000	(229,560)	65,470,440	66,606,463	101.38%
2022	57,300,000	(131,845)	57,168,155	56,135,116	97.97%

SPOKANE PUBLIC SCHOOLS
PROPERTY TAX LEVIES AND COLLECTION (CONTINUED)
LAST TEN LEVY YEARS

Table VII

GENERAL FUND

Levy Year	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2013	\$ 1,299,138	\$ 61,773,163	99.19%	\$ 5,072	0.01%
2014	1,194,087	62,491,844	99.51%	6,716	0.01%
2015	1,051,636	63,727,717	99.45%	49,354	0.08%
2016	1,102,857	64,917,714	98.68%	220,939	0.34%
2017	775,305	66,969,222	98.44%	458,259	0.67%
2018	1,019,074	68,349,876	98.06%	483,408	0.69%
2019	1,125,711	30,390,414	101.30%	(648,341)	-2.16%
2020	1,973,655	35,553,436	100.75%	(422,365)	-1.20%
2021	1,001,638	38,409,163	100.33%	(261,693)	-0.68%
2022	1,472,250	65,836,977	100.21%	(287,763)	-0.44%

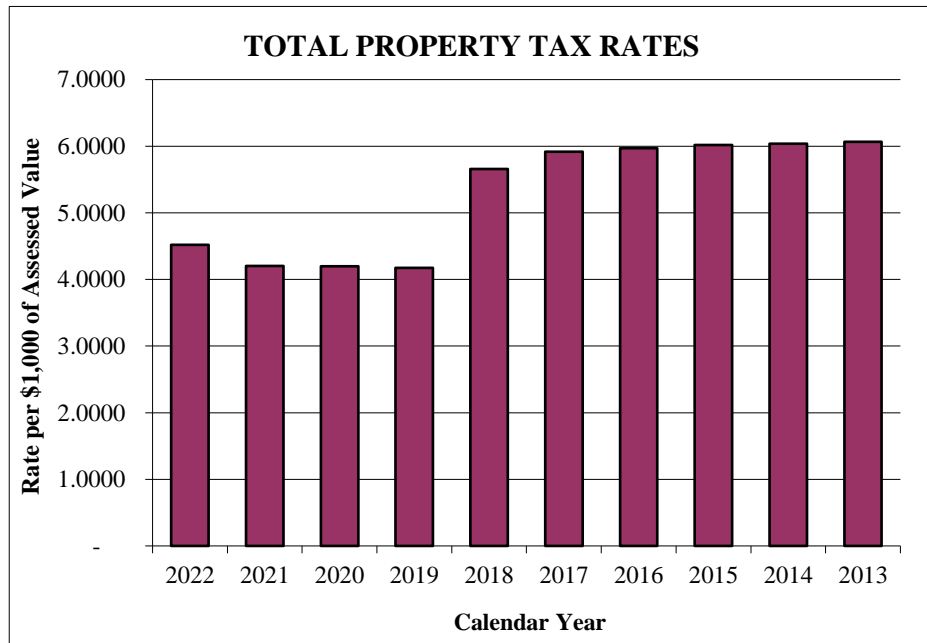
DEBT SERVICE FUND

Levy Year	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2013	\$ 621,626	\$ 29,557,866	99.19%	\$ 2,427	0.01%
2014	572,507	29,961,851	99.51%	3,220	0.01%
2015	509,743	30,889,708	99.45%	23,924	0.08%
2016	539,806	31,774,733	98.68%	108,141	0.34%
2017	381,882	32,986,132	98.44%	225,719	0.67%
2018	205,456	33,336,943	97.20%	533,871	1.56%
2019	1,169,349	53,310,403	99.74%	(318,816)	-0.60%
2020	2,910,956	57,809,432	101.42%	(1,062,521)	-1.86%
2021	1,645,694	68,252,158	103.88%	(2,781,717)	-4.23%
2022	1,493,236	57,628,352	100.57%	(460,197)	-0.80%

**SPOKANE PUBLIC SCHOOLS
PROPERTY TAX RATES
LAST TEN CALENDAR YEARS**

Calendar Year	Debt Service			Total
	General Fund	Fund	Refund	
2013	\$ 4.102423	\$ 1.962970	\$ -	\$ 6.065393
2014	4.080562	1.956434	-	6.036996
2015	4.053328	1.964696	-	6.018024
2016	4.009805	1.962646	-	5.972451
2017	3.963668	1.952331	-	5.915999
2018	3.790899	1.865389	-	5.656288
2019	1.500000	2.672557	-	4.172557
2020	1.604184	2.591224	-	4.195408
2021	1.548074	2.656875	-	4.204949
2022	2.414280	2.105592	-	4.519872

Rates are stated as rate per \$1,000 of assessed value.



Source: Spokane County

SPOKANE PUBLIC SCHOOLS
ASSESSED AND ESTIMATED ACTUAL TAXABLE PROPERTY VALUE AND
CONSTRUCTION PERMITS
LAST TEN CALENDAR YEARS

Table IX

Calendar Year	State Assessed	Local Personal and Mobile	Local Real Property	Total Regular Levy	Exemptions
2013	\$ 425,314,871	\$ 733,013,092	\$ 14,218,642,052	\$ 15,376,970,015	\$ (195,968,171)
2014	473,941,932	756,189,911	14,363,211,580	15,593,343,423	(203,249,659)
2015	529,148,436	764,972,740	14,717,932,505	16,012,053,681	(203,279,598)
2016	516,784,996	777,796,572	15,301,821,462	16,596,403,030	(190,215,823)
2017	497,462,873	795,072,682	16,043,372,239	17,335,907,794	(173,045,862)
2018	538,027,415	806,617,211	17,229,349,734	18,573,994,360	(187,738,594)
2019	581,199,426	807,962,339	18,806,677,071	20,195,838,836	(196,547,025)
2020	630,485,392	818,744,055	20,785,215,576	22,234,445,023	(237,466,672)
2021	648,331,488	871,140,580	23,467,167,631	24,986,639,699	(258,132,445)
2022	661,481,407	836,759,765	25,986,463,852	27,484,705,024	(271,783,494)

The district has only one property tax rate that is applied to all property within the district boundaries.
The property tax is comprised of a Maintenance and Operations Levy and Debt Service Levy.

SPOKANE PUBLIC SCHOOLS
ASSESSED AND ESTIMATED ACTUAL TAXABLE PROPERTY VALUE AND
CONSTRUCTION PERMITS (CONTINUED)
LAST TEN CALENDAR YEARS

Table IX

Calendar Year	Assessed Valuations			Property Tax Rate	Number of New Construction Permits	Value of New Construction Permits
	Real and Personal Property	Estimated Actual Taxable Property				
2013	\$ 15,181,001,844	\$ 15,181,001,844	\$	6.065393	1,148	\$ 283,983,752
2014	15,390,093,764	15,390,093,764		6.036996	1,130	183,020,131
2015	15,808,774,083	15,808,774,083		6.018024	1,352	256,109,833
2016	16,406,187,207	16,406,187,207		5.972451	1,668	325,800,509
2017	17,162,861,932	17,162,861,932		5.915999	1,695	309,626,794
2018	18,386,255,766	18,386,255,766		5.656288	1,754	521,906,716
2019	19,999,291,811	19,999,291,811		4.172557	1,687	343,662,167
2020	21,996,978,351	21,996,978,351		4.195408	1,515	299,077,758
2021	24,728,507,254	24,728,064,189		4.204949	N/A	N/A
2022	27,212,921,530	27,212,921,530		4.519872	N/A	N/A

The district has only one property tax rate that is applied to all property within the district boundaries. The property tax is comprised of a Maintenance and Operations Levy and Debt Service Levy.

Source: Spokane County

**SPOKANE PUBLIC SCHOOLS
TEN PRINCIPAL TAXPAYERS**

FOR COLLECTION YEAR 2013

	Total Tax	Percent of Levy	Total Value	Percent of Total Assessed Value
Avista Corporation	\$ 3,556,573	3.86%	\$ 248,653,462	1.64%
Spokane Washington Hospital Co LLC	2,124,557	2.31%	149,655,147	0.99%
Douglass, Harlan D	1,774,865	1.93%	124,528,515	0.82%
Northtown Mall	1,214,960	1.32%	85,582,600	0.56%
Qwest Communications	932,577	1.01%	65,537,989	0.43%
River Park Square, LLC	876,257	0.95%	61,724,104	0.41%
Hollister Stier Labs, LLC	851,657	0.92%	59,991,288	0.40%
Providence Health & Services - WA	761,403	0.83%	53,633,739	0.35%
Rock Pointe Holdings, LLC	714,350	0.78%	50,319,280	0.33%
Comcast of PA/WA/WV LP	665,180	0.72%	46,855,732	0.31%

FOR COLLECTION YEAR 2014

	Total Tax	Percent of Levy	Total Value	Percent of Total Assessed Value
Avista Corporation	\$ 3,911,441	4.21%	\$ 273,666,804	1.78%
Spokane Washington Hospital Co LLC	1,990,334	2.14%	152,616,497	0.99%
Douglass, Harlan D	1,814,459	1.95%	127,383,630	0.83%
Hollister Stier Labs, LLC	1,240,415	1.34%	87,358,911	0.57%
Northtown Mall	1,187,113	1.28%	83,605,000	0.54%
Providence Health & Services - WA	1,015,879	1.09%	71,545,502	0.46%
River Park Square, LLC	876,137	0.94%	61,703,836	0.40%
Qwest Corporation	840,964	0.91%	59,139,185	0.38%
Davenport 2000, LLC	796,544	0.86%	56,098,335	0.36%
Rock Pointe Holdings, LLC	721,496	0.78%	50,812,950	0.33%

FOR COLLECTION YEAR 2015

	Total Tax	Percent of Levy	Total Value	Percent of Total Assessed Value
Avista Corporation	\$ 4,606,494	4.84%	\$ 321,742,728	2.04%
Douglass, Harlan D	1,918,970	2.02%	134,424,746	0.85%
Spokane Washington Hospital Co LLC	1,644,585	1.73%	115,513,335	0.73%
Hollister Stier Labs, LLC	1,249,386	1.31%	87,755,106	0.56%
Northtown Mall	1,119,409	1.18%	78,625,700	0.50%
Providence Health & Services - WA	1,058,314	1.11%	74,334,505	0.47%
River Park Square, LLC	884,629	0.93%	62,135,063	0.39%
Qwest Corporation	870,484	0.91%	61,072,558	0.39%
Cedar Chateau/Creek/Springs Prop	864,196	0.91%	60,695,115	0.38%
Davenport Hotel/Tower	839,639	0.88%	58,975,053	0.37%

FOR COLLECTION YEAR 2016

	Total Tax	Percent of Levy	Total Value	Percent of Total Assessed Value
Avista Corporation	\$ 4,552,671	4.65%	\$ 324,484,580	1.98%
Douglass, Harlan D	1,912,209	1.95%	136,802,403	0.83%
Spokane Washington Hospital Co LLC	1,603,337	1.64%	115,100,398	0.70%
Hollister Stier Labs, LLC	1,291,301	1.32%	92,699,988	0.57%
Providence Health & Services - WA	1,243,618	1.27%	89,276,896	0.54%
Northtown Mall	1,059,437	1.08%	76,054,900	0.46%
Cedar Chateau/Creek/Springs Prop	902,713	0.92%	64,799,211	0.39%
Qwest Corporation	881,645	0.90%	63,124,545	0.38%
River Park Square, LLC	877,641	0.90%	63,004,117	0.38%
Davenport Hotel/Tower	801,198	0.82%	57,516,402	0.35%

FOR COLLECTION YEAR 2017

	Total Tax	Percent of Levy	Total Value	Percent of Total Assessed Value
Avista Corporation	\$ 4,466,264	4.40%	\$ 325,010,646	1.89%
Douglass, Harlan D	1,955,005	1.93%	142,918,183	0.83%
Spokane Washington Hospital Co LLC	1,613,479	1.59%	118,384,243	0.69%
Providence Health & Services - WA	1,444,422	1.42%	105,980,229	0.62%
Hollister Stier Labs, LLC	1,263,464	1.24%	92,702,932	0.54%
Cedar Chateau/Creek/Springs Prop	1,003,676	0.99%	73,336,087	0.43%
Northtown Mall	1,000,231	0.99%	73,389,000	0.43%
River Park Square, LLC	868,173	0.86%	63,699,614	0.37%
C-III Asset management, LLC	829,894	0.82%	60,891,060	0.35%
Davenport Hotel/Tower	757,667	0.75%	55,591,562	0.32%

Source: Spokane County

**SPOKANE PUBLIC SCHOOLS
TEN PRINCIPAL TAXPAYERS (CONTINUED)**

FOR COLLECTION YEAR 2018

	Total Tax	Percent of Levy	Total Value	Percent of Total Assessed Value
Avista Corporation	\$ 5,033,841	4.84%	\$ 360,168,603	1.96%
Douglass, Harlan D	2,002,267	1.93%	143,753,084	0.78%
Providence Health & Services - WA	1,307,956	1.26%	94,228,993	0.51%
Cedar Chateau/Creek/Springs Prop	1,254,469	1.21%	90,001,221	0.49%
Northtown Mall	1,000,360	0.96%	72,068,900	0.39%
Davenport Hotel/Tower	943,764	0.91%	67,991,540	0.37%
River Park Square, LLC	901,725	0.87%	64,962,926	0.35%
Hollister Stier Labs, LLC	867,165	0.83%	62,473,085	0.34%
C-III Asset Management, LLC	840,942	0.81%	60,583,960	0.33%
Comcast	714,289	0.69%	51,459,487	0.28%

FOR COLLECTION YEAR 2019

	Total Tax	Percent of Levy	Total Value	Percent of Total Assessed Value
Avista Corporation	\$ 4,749,909	5.69%	\$ 395,921,855	1.98%
Douglass, Harlan D	1,828,239	2.19%	152,840,296	0.76%
Providence Health & Services - WA	1,151,860	1.38%	96,577,013	0.48%
Cedar Chateau/Creek/Springs Prop	826,751	0.99%	69,137,068	0.35%
Northtown Mall	825,336	0.99%	69,199,800	0.35%
River Park Square, LLC	788,180	0.94%	66,084,485	0.33%
Davenport Grand/Hotel/Tower/Lusso	779,051	0.93%	65,319,058	0.33%
Hollister Stier Labs, LLC	749,393	0.90%	62,832,430	0.31%
C-III Asset management, LLC	736,923	0.88%	61,786,860	0.31%
Comcast	691,928	0.83%	58,014,308	0.29%

FOR COLLECTION YEAR 2020

	Total Tax	Percent of Levy	Total Value	Percent of Total Assessed Value
Avista Corporation	\$ 5,106,854	5.53%	\$ 413,091,881	1.88%
Douglass, Harlan D	2,052,989	2.22%	166,431,577	0.76%
Providence Health & Services - WA	1,173,677	1.27%	95,395,518	0.43%
Cedar Chateau/Creek/Springs Prop	889,604	0.96%	72,221,810	0.33%
Comcast	868,410	0.94%	70,583,690	0.32%
River Park Square, LLC	840,122	0.91%	68,284,450	0.31%
Davenport Grand/Hotel/Tower/Lusso	831,239	0.90%	67,562,433	0.31%
Washington Trust Bank	830,893	0.90%	67,530,987	0.31%
Hollister Stier Labs, LLC	808,369	0.88%	65,703,535	0.30%
Northtown Mall	768,892	0.83%	62,494,900	0.28%

FOR COLLECTION YEAR 2021

	Total Tax	Percent of Levy	Total Value	Percent of Total Assessed Value
Avista Corporation	\$ 4,929,303	4.74%	\$ 413,556,721	1.67%
Douglass, Harlan & Maxine	1,924,124	1.85%	162,101,309	0.66%
Providence Health & Services - WA	1,161,085	1.12%	97,947,915	0.40%
Cedar Chateau/Creek/Springs Prop	1,077,316	1.04%	90,787,675	0.37%
Comcast	891,170	0.86%	75,178,158	0.30%
Washington Trust Bank	839,093	0.81%	70,779,997	0.29%
C-III Asset Management, LLC	833,547	0.80%	70,317,160	0.28%
Davenport Grand/Hotel/Tower/Lusso	817,397	0.79%	68,954,724	0.28%
Harlan D Douglass Trust	816,237	0.78%	68,576,840	0.28%
River Park Square, LLC	809,792	0.78%	68,313,144	0.28%

FOR COLLECTION YEAR 2022

	Total Tax	Percent of Levy	Total Value	Percent of Total Assessed Value
Avista Corporation	\$ 5,140,091	4.18%	\$ 437,960,691	1.61%
Douglass, Harlan & Maxine	1,903,051	1.55%	162,961,744	0.60%
Providence Health & Services - WA	1,550,602	1.26%	132,981,951	0.49%
Cedar Chateau/Creek/Springs Prop	1,010,003	0.82%	86,251,561	0.32%
Comcast	836,378	0.68%	71,729,034	0.26%
Multicare Health Systems	823,192	0.67%	70,594,234	0.26%
Washington Trust Bank	819,361	0.67%	70,265,348	0.26%
Harland Douglas Trust	806,740	0.66%	68,806,270	0.25%
Hollister Stier Labs LLC	801,739	0.65%	68,758,319	0.25%
River Park Square, LLC	793,780	0.65%	68,075,810	0.25%

**SPOKANE PUBLIC SCHOOLS
DIRECT AND OVERLAPPING TAX RATES
FOR COLLECTION YEAR 2022**

Direct Tax Rate:	
Spokane School District No. 81 - Enrichment	\$ 2.41428
Spokane School District No. 81 - Bond	2.10559
Total Direct Tax Rate	<u>\$ 4.51987</u>
Overlapping Tax Rates:	
State School Part 1	\$ 1.72848
State School Part 2	0.93132
City of Spokane	2.48554
City of Spokane 2019 Lift	0.25452
City of Spokane - EMS	0.36045
City of Spokane - Bond	0.12460
City of Spokane - Bond 2015	0.22560
City of Spokane Valley	1.01931
Spokane County	0.99656
Spokane County Road	1.17831
Fire District No. 1	1.04567
Fire District No. 1 - Special	1.65958
Fire District No. 3	1.50000
Fire District No. 8	1.50000
Fire District No. 8 - EMS	0.34716
Fire District No. 8 - Special	0.41837
Fire District No. 9	0.83426
Fire District No. 9 - Special	1.58296
Fire District No. 10	1.05789
Fire District No. 10 - Sunset	0.17237
Fire District No. 10 - EMS	0.46461
Library District	0.42496
Moran Library	0.08080
Cemetery 3	0.01090
Conservation Futures	0.03329

Rates are presented as rate per \$1,000 of assessed value. This table lists all potential for the taxing district in which they reside.

Source: Spokane County

SPOKANE PUBLIC SCHOOLS
DIRECT AND OVERLAPPING DEBT AND DEBT RATIOS
AUGUST 31, 2022

Taxing District	2022 Assessed Value	Percent Overlap	Outstanding GO Debt	Estimated Overlapping Debt
Direct Debt				
Spokane School District No. 81	\$ 27,212,921,530	100.00%	\$ 610,764,168	\$ 610,764,168
Total Direct Debt				<u>610,764,168</u>
Overlapping Debt				
City of Spokane	23,411,670,902	89.33%	223,163,155	199,351,646
City of Spokane Valley	989,387,818	7.66%	10,485,000	803,151
Spokane County	27,212,921,530	39.74%	180,273,899	71,640,847
Fire District No. 1	954,300,768	5.21%	-	-
Fire District No. 8	2,824,985,330	64.92%	833,000	540,784
Fire District No. 10	47,436,931	4.24%	693,584	29,408
Library	3,706,619,417	9.48%	8,010,000	759,348
Moran Library	219,550,551	10.44%	335,000	34,974
				<u>273,160,158</u>
Total Direct and Overlapping Debt				<u><u>\$ 883,924,326</u></u>

The percentage of overlap is calculated by dividing the Spokane School District assessed value within a taxing district by the total assessed value of the taxing district.

Debt Ratios

Net Direct Debt to Assessed Value	2.78%
Net Direct and Net Overlapping Debt to Assessed Value	4.02%
Per Capita Assessed Value	\$ 118,839
Per Capita Net Direct Debt	\$ 2,667
Per Capita Total Net Direct and Overlapping Debt	\$ 3,860
Total Direct and Overlapping Debt to Personal Income	\$ 35

Source: Spokane County, City of Spokane, and City of Spokane Valley

**SPOKANE PUBLIC SCHOOLS
DEBT REQUIREMENTS BY BOND ISSUE
AS OF AUGUST 31, 2022**

Table XIII

Year Ending August 31	2021 Bond Issue			2019 Bond Issue			2017B Bond Issue		
	Principal	Interest	Total Debt Service 2021 Bond Issue	Principal	Interest	Total Debt Service 2019 Bond Issue	Principal	Interest	Total Debt Service 2017 Bond Issue
2023	\$ 30,520,000	\$ 7,066,200	\$ 37,586,200	\$ -	\$ 4,537,250	\$ 4,537,250	\$ -	\$ 2,946,300	\$ 2,946,300
2024		6,303,200	6,303,200	-	4,537,250	4,537,250	-	2,946,300	2,946,300
2025		6,303,200	6,303,200	-	4,537,250	4,537,250	-	2,946,300	2,946,300
2026		6,303,200	6,303,200	-	4,537,250	4,537,250	1,695,000	2,903,925	4,598,925
2027		6,303,200	6,303,200	-	4,537,250	4,537,250	3,155,000	2,782,675	5,937,675
2028	8,335,000	6,136,500	14,471,500	-	4,537,250	4,537,250	11,675,000	2,411,925	14,086,925
2029	11,795,000	5,733,900	17,528,900	-	4,537,250	4,537,250	10,130,000	1,866,800	11,996,800
2030	12,755,000	5,242,900	17,997,900	1,000,000	4,512,250	5,512,250	10,695,000	1,346,175	12,041,175
2031		4,987,800	4,987,800	2,000,000	4,437,250	6,437,250	26,970,000	539,400	27,509,400
2032		4,987,800	4,987,800	2,000,000	4,337,250	6,337,250	-	-	-
2033		4,987,800	4,987,800	2,500,000	4,224,750	6,724,750	-	-	-
2034		4,987,800	4,987,800	4,750,000	4,043,500	8,793,500	-	-	-
2035		4,987,800	4,987,800	18,250,000	3,468,500	21,718,500	-	-	-
2036		4,987,800	4,987,800	19,000,000	2,537,250	21,537,250	-	-	-
2037		4,987,800	4,987,800	41,245,000	1,031,125	42,276,125	-	-	-
2038	27,905,000	4,429,700	32,334,700	-	-	-	-	-	-
2039	30,005,000	3,271,500	33,276,500	-	-	-	-	-	-
2040	32,225,000	2,026,900	34,251,900	-	-	-	-	-	-
2041	34,560,000	691,200	35,251,200	-	-	-	-	-	-
Total	\$ 188,100,000	\$ 94,726,200	\$ 282,826,200	\$ 90,745,000	\$ 60,352,625	\$ 151,097,625	\$ 64,320,000	\$ 20,689,800	\$ 85,009,800

**SPOKANE PUBLIC SCHOOLS
DEBT REQUIREMENTS BY BOND ISSUE
AS OF AUGUST 31, 2022
(CONTINUED)**

Table XIII

Year Ending August 31	2017C Bond Issue			2015B Refunding Bond Issue			2015C Bond Issue		
	Principal	Interest	Total Debt Service 2017 Bond Issue	Principal	Interest	Total Debt Service 2015 Bond Issue	Principal	Interest	Total Debt Service 2015 Bond Issue
2023	\$ -	\$ 1,232,550	\$ 1,232,550	\$ 510,000	\$ 1,574,525	\$ 2,084,525	\$ -	\$ 1,160,000	\$ 1,160,000
2024	-	1,232,550	1,232,550	750,000	1,553,338	2,303,338	-	1,160,000	1,160,000
2025	-	1,232,550	1,232,550	965,000	1,520,775	2,485,775	-	1,160,000	1,160,000
2026	-	1,232,550	1,232,550	16,585,000	1,082,025	17,667,025	-	1,160,000	1,160,000
2027	-	1,232,550	1,232,550	16,685,000	333,700	17,018,700	-	1,160,000	1,160,000
2028	-	1,232,550	1,232,550	-	-	-	-	1,160,000	1,160,000
2029	-	1,232,550	1,232,550	-	-	-	-	1,160,000	1,160,000
2030	-	1,232,550	1,232,550	-	-	-	-	1,160,000	1,160,000
2031	-	1,232,550	1,232,550	-	-	-	-	1,160,000	1,160,000
2032	-	1,232,550	1,232,550	-	-	-	-	1,160,000	1,160,000
2033	-	1,232,550	1,232,550	-	-	-	-	1,160,000	1,160,000
2034	-	1,232,550	1,232,550	-	-	-	14,000,000	880,000	14,880,000
2035	5,975,000	1,083,175	7,058,175	-	-	-	15,000,000	300,000	15,300,000
2036	23,345,000	466,900	23,811,900	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-
Total	\$ 29,320,000	\$ 16,340,675	\$ 45,660,675	\$ 35,495,000	\$ 6,064,363	\$ 41,559,363	\$ 29,000,000	\$ 13,940,000	\$ 42,940,000

SPOKANE PUBLIC SCHOOLS
DEBT REQUIREMENTS BY BOND ISSUE
AS OF AUGUST 31, 2022
(CONTINUED)

Table XIII

Year Ending August 31	2014 Bond Issue			2013 Bond Issue			2012 Bond Issue		
	Principal	Interest	Total Debt Service 2014 Bond Issue	Principal	Interest	Total Debt Service 2013 Bond Issue	Principal	Interest	Total Debt Service 2012 Bond Issue
2023	\$ -	\$ 789,300	\$ 789,300	\$ -	\$ 811,750	\$ 811,750	\$ -	\$ 1,244,250	\$ 1,244,250
2024	-	789,300	789,300	-	811,750	811,750	-	1,244,250	1,244,250
2025	-	789,300	789,300	-	811,750	811,750	-	1,244,250	1,244,250
2026	-	789,300	789,300	-	811,750	811,750	-	1,244,250	1,244,250
2027	-	789,300	789,300	-	811,750	811,750	-	1,244,250	1,244,250
2028	-	789,300	789,300	-	811,750	811,750	-	1,244,250	1,244,250
2029	-	789,300	789,300	-	811,750	811,750	-	1,244,250	1,244,250
2030	-	789,300	789,300	-	811,750	811,750	-	1,244,250	1,244,250
2031	-	789,300	789,300	-	811,750	811,750	-	1,244,250	1,244,250
2032	-	789,300	789,300	-	811,750	811,750	29,475,000	802,125	30,277,125
2033	-	789,300	789,300	19,100,000	405,875	19,505,875	12,000,000	180,000	12,180,000
2034	17,540,000	394,650	17,934,650	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-
Total	\$ 17,540,000	\$ 9,076,950	\$ 26,616,950	\$ 19,100,000	\$ 8,523,375	\$ 27,623,375	\$ 41,475,000	\$ 12,180,375	\$ 53,655,375

**SPOKANE PUBLIC SCHOOLS
DEBT REQUIREMENTS BY BOND ISSUE
AS OF AUGUST 31, 2022
(CONTINUED)**

Table XIII

Year Ending August 31	2012 Refunding Bond Issue			Total Debt Service All Bond Issues
	Principal	Interest	Total Debt Service 2012 Bond Issue	
2023	\$ 7,475,000	\$ 1,500,437	\$ 8,975,437	\$ 61,367,562
2024	15,550,000	977,187	16,527,187	37,855,125
2025	8,075,000	201,875	8,276,875	29,787,250
2026	-	-	-	38,344,250
2027	-	-	-	39,034,675
2028	-	-	-	38,333,525
2029	-	-	-	39,300,800
2030	-	-	-	40,789,175
2031	-	-	-	44,172,300
2032	-	-	-	45,595,775
2033	-	-	-	46,580,275
2034	-	-	-	47,828,500
2035	-	-	-	49,064,475
2036	-	-	-	50,336,950
2037	-	-	-	47,263,925
2038	-	-	-	32,334,700
2039	-	-	-	33,276,500
2040	-	-	-	34,251,900
2041	-	-	-	35,251,200
Total	\$ 31,100,000	\$ 2,679,499	\$ 33,779,499	\$ 790,768,862

SPOKANE PUBLIC SCHOOLS

Table XIV

**RATIO OR ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO GENERAL FUND EXPENDITURES,
DEBT SERVICE PER CAPITA, AND BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures (Net of Capital Outlay)
2013	\$ 12,076,282	\$ 14,831,303	\$ 26,907,585	\$ 304,447,022
2014	16,585,672	14,709,715	31,295,387	324,209,917
2015	17,128,393	15,962,909	33,091,302	335,236,905
2016	15,150,000	15,033,551	30,183,551	359,784,746
2017	14,680,000	18,106,977	32,786,977	381,689,346
2018	19,390,000	15,032,190	34,422,190	412,109,028
2019	14,990,000	16,536,588	31,526,588	456,228,579
2020	32,580,000	23,427,113	56,007,113	432,015,728
2021	34,075,000	19,841,953	53,916,953	450,221,378
2022	42,960,000	24,712,312	67,672,312	500,141,556

Fiscal Year	Population #	UTGO Bonds	Less: Debt Service Funds Available	Net Bonded Debt	
2013	*	211,300	\$ 346,532,284	\$ 13,691,527	\$ 332,840,757
2014	*	212,300	357,315,255	12,456,997	344,858,258
2015	*	213,100	365,555,034	10,921,734	354,633,300
2016		214,500	398,589,761	12,835,209	385,754,552
2017	*	217,300	380,316,280	13,578,195	366,738,085
2018		220,100	410,877,501	11,955,192	398,922,309
2019	*	222,000	537,089,377	26,605,900	510,483,477
2020		228,989	499,466,722	26,276,140	473,190,582
2021	*	229,400	660,366,561	35,419,077	624,947,484
2022		230,900	610,764,168	28,043,443	582,720,725

* Designates a fiscal year including issuance of UTGO Bonds

Source: Spokane School District No. 81

SPOKANE PUBLIC SCHOOLS

Table XIV

**RATIO OR ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO GENERAL FUND EXPENDITURES,
DEBT SERVICE PER CAPITA, AND BONDED DEBT PER CAPITA (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year	Ratio of Debt Service to General Fund Expenditures	
	Net of Capital Outlay	Debt Service Per Capita
2013	8.84%	127
2014	9.65%	147
2015	9.87%	155
2016	8.39%	141
2017	8.59%	151
2018	8.35%	156
2019	6.91%	142
2020	12.96%	245
2021	11.98%	235
2022	13.53%	293

Fiscal Year	Net Bonded Debt as a Percent of Assessed Value	Net Bonded Debt Per Capita	Total Bonded Debt Per Capita	Net Bonded Debt as a Percent of Personal Income	Total Bonded Debt as a Percent of Personal Income
	2013	2.19%	\$ 1,575	\$ 1,640	1.69%
2014	2.24%	1,624	1,683	1.65%	1.71%
2015	2.24%	1,664	1,715	1.62%	1.67%
2016	2.35%	1,798	1,858	1.68%	1.74%
2017	2.14%	1,688	1,750	1.51%	1.57%
2018	2.17%	1,812	1,867	1.55%	1.60%
2019	2.55%	2,299	2,419	2.02%	2.12%
2020	2.15%	2,066	2,181	1.79%	1.89%
2021	2.53%	2,724	2,879	2.13%	2.25%
2022	2.14%	2,524	2,645	N/A	N/A

* Designates a fiscal year including issuance of UTGO Bonds

Source: Spokane School District No. 81

**SPOKANE PUBLIC SCHOOLS
LEGAL DEBT LIMIT
LAST TEN FISCAL YEARS**

Table XV

	2022	2021	2020	2019	2018
Collection Year Bond Assessed Value	\$ 27,212,921,530	\$ 24,728,064,189	\$ 21,996,978,351	\$ 19,999,291,811	\$ 18,386,255,766
<u>VOTED DEBT</u>					
General Obligation Debt Capacity (5% of Assessed Valuation)	1,360,646,077	1,236,403,209	1,099,848,918	999,964,591	919,312,788
Less: Outstanding Voter-Approved Debt	(546,195,000)	(589,155,000)	(456,965,000)	(489,545,000)	(376,625,000)
Less: Outstanding Non-Voter-Approved Debt	-	-	-	-	-
Cash and Investments in Debt Service Fund	26,793,382	33,812,378	24,555,245	25,315,998	11,552,135
Remaining Debt Capacity	<u>\$ 841,244,459</u>	<u>\$ 681,060,587</u>	<u>\$ 667,439,163</u>	<u>\$ 535,735,589</u>	<u>\$ 554,239,923</u>
Ratio of Legal Debt Margin to the Debt Limit	61.83%	55.08%	60.68%	53.58%	60.29%
<u>NON-VOTED DEBT</u>					
Debt Capacity (3/8 of 1% of Assessed Value)	\$ 102,048,456	\$ 92,730,241	\$ 82,488,669	\$ 74,997,344	\$ 68,948,459
Less: Outstanding Non-Voted Debt	(1,307,554)	-	-	-	-
Less: Accretion on 2005 Bond Issue	-	-	-	-	-
Remaining Debt Capacity	<u>\$ 100,740,902</u>	<u>\$ 92,730,241</u>	<u>\$ 82,488,669</u>	<u>\$ 74,997,344</u>	<u>\$ 68,948,459</u>
Ratio of Legal Debt Margin to the Debt Limit	98.72%	100.00%	100.00%	100.00%	100.00%

Source: Spokane County and Spokane School District No. 81

**SPOKANE PUBLIC SCHOOLS
LEGAL DEBT LIMIT (CONTINUED)
LAST TEN FISCAL YEARS**

Table XV

	2017	2016	2015	2014	2013
Collection Year Bond Assessed Value	\$ 17,162,861,932	\$ 16,406,187,207	\$ 15,808,774,083	\$ 15,390,093,764	\$ 15,181,001,844
<u>VOTED DEBT</u>					
General Obligation Debt Capacity (5% of Assessed Valuation)	858,143,097	820,309,360	790,438,704	769,504,688	759,050,092
Less: Outstanding Voter-Approved Debt	(355,030,000)	(369,710,000)	(340,410,000)	(332,013,394)	(318,599,066)
Less: Outstanding Non-Voter-Approved Debt	-	-	-	-	-
Cash and Investments in Debt Service Fund	13,144,953	12,176,238	10,136,117	11,802,610	12,546,475
Remaining Debt Capacity	<u>\$ 516,258,050</u>	<u>\$ 462,775,598</u>	<u>\$ 460,164,821</u>	<u>\$ 449,293,904</u>	<u>\$ 452,997,501</u>
Ratio of Legal Debt Margin to the Debt Limit	60.16%	56.41%	58.22%	58.39%	59.68%
<u>NON-VOTED DEBT</u>					
Debt Capacity (3/8 of 1% of Assessed Value)	\$ 64,360,732	\$ 61,523,202	\$ 59,282,903	\$ 57,712,852	\$ 56,928,757
Less: Outstanding Non-Voted Debt	-	-	-	-	-
Less: Accretion on 2005 Bond Issue	-	-	-	(296,606)	(555,934)
Remaining Debt Capacity	<u>\$ 64,360,732</u>	<u>\$ 61,523,202</u>	<u>\$ 59,282,903</u>	<u>\$ 57,416,246</u>	<u>\$ 56,372,823</u>
Ratio of Legal Debt Margin to the Debt Limit	100.00%	100.00%	100.00%	99.49%	99.02%

Source: Spokane County and Spokane School District No. 81

**SPOKANE PUBLIC SCHOOLS
POPULATION HISTORY
LAST TEN FISCAL YEARS**

Fiscal Year	Spokane County	City of Spokane
2013	480,000	211,300
2014	484,500	212,300
2015	488,310	213,100
2016	492,530	214,500
2017	499,800	217,300
2018	507,950	220,100
2019	515,250	222,000
2020	539,339	228,989
2021	542,100	229,400
2022	550,700	230,900

Source: Washington State Office of Financial Management, U.S. Department of Commerce, Bureau of Economic Analysis, and U.S. Census Bureau

**SPOKANE PUBLIC SCHOOLS
PERSONAL AND PER CAPITA INCOME
LAST TEN CALENDAR YEARS**

Calendar Year	SPOKANE COUNTY		STATE OF WASHINGTON	
	Total Personal Income (in thousands)	Per Capita Income	Total Personal Income (in millions)	Per Capita Income
2013	\$ 19,647,375	\$ 37,665	\$ 336,333,900	\$ 48,304
2014	20,840,230	39,590	363,327,100	51,518
2015	21,928,516	41,196	385,687,900	53,840
2016	22,948,395	42,397	407,654,100	55,884
2017	24,229,248	44,006	434,758,600	58,550
2018	25,700,950	45,903	467,399,000	62,026
2019	25,322,417	48,436	493,127,859	64,758
2020	26,431,189	50,038	516,441,099	67,126
2021	29,360,621	53,770	570,920,801	73,775
2022	N/A	N/A	N/A	N/A

Source: U.S. Department of Commerce and Bureau of Economic Analysis

**SPOKANE PUBLIC SCHOOLS
MAJOR EMPLOYERS - SPOKANE COUNTY**

2013 Major Employers

Employer	Product	Number of Employees (FTE)	% of County Employment
State of Washington	Government	4,165	1.83%
Providence Sacred Heart Medical Center & Children's Hospital	Health Care	3,715	1.64%
Spokane Public Schools	Education	3,049	1.34%
92nd Air Refueling Wing	U.S. Air Force	2,892	1.27%
City of Spokane	Government	1,956	0.86%
Spokane County	Government	1,935	0.85%
Central Valley School District	Education	1,427	0.63%
Wal-Mart Stores	Retail Sales	1,393	0.61%
URM Stores, Inc.	Wholesale and retail grocery	1,332	0.59%
Rockwood Clinic	Health Care	1,306	0.57%

2014 Major Employers

Employer	Product	Number of Employees (FTE)	% of County Employment
Providence Health Care - Eastern Washington	Health Care	5,170	2.24%
Fairchild Air Force Base	Military	4,578	1.99%
State of Washington	Government	4,226	1.83%
Spokane Public Schools	Public Schools K-12	3,368	1.46%
Spokane County	Local Government	2,004	0.87%
City of Spokane	Municipal Government	1,926	0.84%
Central Valley School District	Public Schools K-12	1,430	0.62%
Wal-Mart Stores	Retail Sales	1,395	0.61%
URM Stores, Inc.	Wholesale and retail grocery	1,378	0.60%
Rockwood Clinic	Health Care	1,320	0.57%

2015 Major Employers

Employer	Product	Number of Employees (FTE)	% of County Employment
Fairchild Air Force Base	Military	5,950	2.53%
Providence Health Care - Eastern Washington	Health Care	5,167	2.20%
State of Washington	Government	5,020	2.14%
Spokane Public Schools	Public Schools K-12	3,406	1.45%
City of Spokane	Municipal Government	2,085	0.89%
Spokane County	Local Government	2,022	0.86%
Central Valley School District	Public Schools K-12	1,630	0.69%
Wal-Mart Stores	Retail Sales	1,407	0.60%
URM Stores, Inc.	Wholesale and retail grocery	1,403	0.60%
Kalispel Tribal Economic Authority	Economic development	1,351	0.57%

2016 Major Employers

Employer	Product	Number of Employees (FTE)	% of County Employment
Fairchild Air Force Base	Military	6,000	2.49%
Providence Health Care - Eastern Washington	Health Care	5,326	2.21%
State of Washington	Government	5,216	2.17%
Spokane Public Schools	Public Schools K-12	2,914	1.21%
City of Spokane	Municipal Government	2,089	0.87%
Spokane County	Local Government	2,082	0.86%
Kalispel Tribal Economic Authority	Economic development	1,489	0.62%
Central Valley School District	Public Schools K-12	1,441	0.60%
Wal-Mart Stores	Retail Sales	1,434	0.60%
URM Stores, Inc.	Wholesale and retail grocery	1,417	0.59%

2017 Major Employers

Employer	Product	Number of Employees (FTE)	% of County Employment
Fairchild Air Force Base	Military	5,935	2.43%
Providence Health Care - Eastern Washington	Health Care	5,688	2.33%
State of Washington	Government	5,360	2.20%
Spokane Public Schools	Public Schools K-12	3,509	1.44%
City of Spokane	Municipal Government	2,087	0.86%
Spokane County	Local Government	2,087	0.86%
Kalispel Tribal Economic Authority	Economic development	1,792	0.74%
Central Valley School District	Public Schools K-12	1,509	0.62%
URM Stores, Inc.	Wholesale and retail grocery	1,467	0.60%
Wal-Mart Stores	Retail Sales	1,417	0.58%

**SPOKANE PUBLIC SCHOOLS
MAJOR EMPLOYERS - SPOKANE COUNTY (CONTINUED)**

2018 Major Employers

Employer	Product	Number of Employees (FTE)	% of County Employment
Fairchild Air Force Base	Military	5,935	2.40%
Providence Health Care	Health Care	5,425	2.19%
State of Washington	Government	5,100	2.06%
Spokane Public Schools	Public Schools K-12	3,568	1.44%
MultiCare - Inland Northwest Region	Health Care	3,110	1.26%
City of Spokane	Municipal Government	2,174	0.88%
Spokane County	Local Government	2,124	0.86%
Kalispel Tribal Economic Authority	Economic development	1,882	0.76%
Central Valley School District	Public Schools K-12	1,614	0.65%
Wal-Mart Stores	Retail Sales	1,431	0.58%

2019 Major Employers

Employer	Product	Number of Employees (FTE)	% of County Employment
Fairchild Air Force Base	Military	5,935	2.31%
State of Washington	Government	5,715	2.23%
Providence Health Care	Health Care	5,466	2.13%
MultiCare - Inland Northwest Region	Health Care	3,357	1.31%
Spokane Public Schools	Public Schools K-12	3,340	1.30%
City of Spokane	Municipal Government	2,171	0.85%
Spokane County	Local Government	2,041	0.80%
Kalispel Tribal Economic Authority	Economic development	1,931	0.75%
Community Colleges of Spokane	Higher Education	1,612	0.63%
Central Valley School District	Public Schools K-12	1,591	0.62%

2020 Major Employers

Employer	Product	Number of Employees (FTE)	% of County Employment
Fairchild Air Force Base	Military	6,560	2.75%
Providence Health Care	Health Care	6,145	2.58%
State of Washington	Government	5,838	2.45%
MultiCare - Inland Northwest Region	Health Care	3,342	1.40%
Spokane Public Schools	Public Schools K-12	3,328	1.39%
City of Spokane	Municipal Government	2,135	0.89%
Spokane County	Local Government	1,874	0.79%
Central Valley School District	Public Schools K-12	1,552	0.65%
Community Colleges of Spokane	Higher Education	1,534	0.64%
Eastern Wahsington University	Higher Education	1,349	0.57%

2021 Major Employers

Employer	Product	Number of Employees (FTE)	% of County Employment
Fairchild Air Force Base	Military	6,946	3.00%
Providence Health Care	Health Care	6,784	2.93%
State of Washington	Government	5,575	2.41%
Spokane Public Schools	Public Schools K-12	3,611	1.56%
MultiCare - Inland Northwest Region	Health Care	3,201	1.38%
City of Spokane	Municipal Government	2,075	0.90%
Spokane County	Local Government	2,058	0.89%
Central Valley School District	Public Schools K-12	1,549	0.67%
Community Colleges of Spokane	Higher Education	1,361	0.59%
Kalispel Tribal Economic Authority/Northern Quest Resort & Casino	Economic Development	1,333	0.58%

2022 Major Employers

Employer	Product	Number of Employees (FTE)	% of County Employment
Fairchild Air Force Base	Military	6,756	2.80%
Providence Health Care	Health Care	6,042	2.51%
State of Washington	Government	5,575	2.31%
Spokane Public Schools	Public Schools K-12	3,728	1.55%
Amazon	Online Retailer	3,724	1.55%
MultiCare - Inland Northwest Region	Health Care	3,121	1.30%
City of Spokane	Municipal Government	2,150	0.89%
Spokane County	Local Government	1,917	0.80%
Central Valley School District	Public Schools K-12	1,656	0.69%
URM Stores Inc	Supermarket	1,614	0.67%

Sources: Journal of Business, Community Indicator Initiative of Spokane and Washington State Employment Security Dept.

**SPOKANE PUBLIC SCHOOLS
UNEMPLOYMENT RATES FOR SPOKANE
LAST TEN CALENDAR YEARS**

Calendar Year	Annual Unemployment Rate
2013	8.2%
2014	7.0%
2015	6.6%
2016	6.1%
2017	5.5%
2018	5.4%
2019	5.2%
2020	8.8%
2021	5.5%
2022	4.6%

Source: U.S. Bureau of Labor Statistics Data - (P): Preliminary

**SPOKANE PUBLIC SCHOOLS
BUILDINGS AND PROPERTY
AUGUST 31, 2022**

Building Name	Year Built	Square Feet	Site Acreage
Elementary Schools			
Adams	1910	42,244	3.71
Arlington	1980	54,963	7.46
Audubon	1980	51,653	6.23
Balboa	1960	39,621	10.53
Bemiss	1980	55,685	4.32
Browne	2000	50,786	6.22
Cooper	1980	53,669	5.11
Finch	1924/2014	61,407	4.62
Franklin	2019	69,550	5.98
Garfield	1980	51,653	4.22
Grant	1980	49,413	2.37
Hamblen	1994	52,175	9.59
Holmes	1980	51,016	4.29
Hutton	1921/2015	61,650	5.48
Indian Trail	1964	36,827	9.93
Jefferson (original structure)	1908/1956	55,876	2.48
Jefferson (new construction - occupied)	2013	59,845	6.78
Lidgerwood	2006	47,512	3.55
Lincoln Heights	2006	56,362	6.50
Linwood	2019	76,559	7.52
Logan	1994	52,151	5.78
Longfellow	1980	53,501	4.78
Madison	1948	46,493	3.44
Moran Prairie	1990	51,963	12.40
Mullan Road	1981/2015/2017	70,464	13.57
Regal	1982	53,503	5.90
Ridgeview	2006	48,928	3.68
Roosevelt	1982	51,653	4.83
Frances Scott	1980	49,413	4.12
Stevens	1994	54,001	5.33
Westview	2012	58,744	7.06
Whitman	1981	57,466	8.42
Willard	1980	53,503	4.15
Wilson	1926	43,778	1.72
Woodridge	1980	51,653	11.10
	TOTAL	1,875,680	213.17
Middle Schools			
Chase	1994	113,717	24.70
Glover	1958/2021	140,044	16.74
Sacajawea	1959	112,301	19.72
Salk	2015/2017	133,996	18.31
Shaw	1958/2021	155,191	20.48
Garry	1970/1999	108,416	4.52
	TOTAL	763,665	104.47

**SPOKANE PUBLIC SCHOOLS
BUILDINGS AND PROPERTY (CONTINUED)
AUGUST 31, 2022**

Building Name	Year Built	Square Feet	Site Acreage
High Schools			
Ferris	1962/2007/2014	271,724	51.51
Lewis & Clark	1908/2008/2021	299,749	5.31
Hart Field	1940/2013	12,615	30.78
The Community School	1954	26,801	1.93
North Central	1981/2001/2014	269,544	18.39
North Central Annex	1981/2001/2014	11,816	0.00
NC Fields at Pacific Park	2010	560	6.23
On Track Academy	2021	39,609	0.00
Rogers	1932/2008	263,742	25.49
NEWTECH Skills Center	1981/2015	109,451	8.47
NEWTECH Portables	2010	12,096	0.00
Shadle Park	1957/1993/2009	274,975	5.88
TOTAL		1,592,682	153.99
Other Educational			
Spokane Public Montessori	1928	87,844	3.29
Pratt Academy	1957	29,953	3.72
Bryant	1960	28,363	2.42
Libby	1928/2021	72,441	4.68
TOTAL		218,601	14.11
Support Facilities			
Administration Building	1980	55,772	0.72
Instructional Technology Support Center	1955	21,428	4.00
Warehouse/Maintenance Facility	1978/2010	114,228	8.67
Nevada Warehouse	2006	9,884	0.37
TOTAL		201,312	13.76
Community Service Facilities			
Garland-Leased Out	1957	16,485	1.91
KSPS Studio	1966/1995	26,091	0.93
TOTAL		42,576	2.84
Undeveloped Properties			
Joe Albi Vacant Land			43.30
Loma Vista Site			8.00
Comstock Site			3.68
Qualchan Hills Site			5.39
TOTAL			60.37
TOTAL OF ALL SITES	63	4,694,516	562.71

Note: Only the current year buildings and property list is provided as there are not significant changes to the district owned sites or building footage each year. The district enrollment has remained stable enough that the existing space has adequate capacity to serve the students of the district.

**Buildings undergoing major modernization projects

Source: Spokane School District No. 81

**SPOKANE PUBLIC SCHOOLS
ENROLLMENT HISTORY - ANNUAL AVERAGE FTE
LAST TEN FISCAL YEARS**

Fiscal Year	Elementary	Middle	High	Total
2013	15,267	4,352	8,627	28,246
2014	15,829	4,413	8,753	28,995
2015	16,221	4,352	8,977	29,550
2016	16,408	4,325	8,974	29,707
2017	16,945	4,178	9,009	30,132
2018	16,962	4,112	8,947	30,021
2019	17,064	4,310	8,679	30,053
2020	16,843	4,493	8,716	30,052
2021	15,219	4,404	8,670	28,294
2022	15,364	4,245	8,746	28,355

Source: OSPI Final Reports - Apportionment and Enrollment

**SPOKANE PUBLIC SCHOOLS
FREE AND REDUCED MEAL APPLICATIONS
PERCENTAGE OF STUDENTS APPROVED
LAST TEN FISCAL YEARS**

Fiscal Year	Percent of Students Approved for Free and Reduced Meals	
2013	59%	^
2014	59%	^
2015	58%	^
2016	56%	^
2017	57%	^
2018	56%	^
2019	60%	*
2020	60%	*
2021	59%	*
2022	58%	*

^ *Source: OSPI District Report Card*

* *Source: Spokane School District No. 81*

**SPOKANE PUBLIC SCHOOLS
OPERATING STATISTICS - GOVERNMENT-WIDE BASIS
LAST TEN FISCAL YEARS**

Fiscal Year	Expenses *	Enrollment *	Cost per Pupil *	Percentage Change	Teaching Staff **	Pupil-Teacher Ratio	Student Attendance Percentage **
2013	\$ 355,732,602	28,246	\$ 12,594	2.69%	1,699	16.63	99.5%
2014	374,052,720	28,995	12,901	2.43%	1,779	16.30	99.6%
2015	373,483,023	29,550	12,639	-2.03%	1,812	16.31	99.6%
2016	407,908,075	29,707	13,731	8.64%	1,955	15.20	99.4%
2017	431,326,384	30,132	14,315	4.25%	1,969	15.30	99.2%
2018	447,221,757	30,021	14,897	4.07%	2,015	14.90	99.2%
2019	494,417,228	30,053	16,452	10.44%	1,967	15.28	80.9%
2020	472,143,357	30,052	15,711	-4.50%	1,533	19.60	94.0%
2021	488,750,831	28,294	17,274	9.95%	1,961	14.43	83.1%
2022	554,624,869	28,355	19,560	13.23%	2,182	13.20	72.2%

* Source: Spokane School District No. 81

** Source: OSPI Washington State Report Card

SPOKANE PUBLIC SCHOOLS
FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY PROGRAM
LAST TEN FISCAL YEARS

Table XXIV

PROGRAM DESCRIPTION		2022	2021	2020	2019	2018
Regular Instruction						
	Certificated	1,586.086	1,530.643	1,539.466	1,657.419	1,644.292
	Classified	220.425	216.749	256.228	247.249	253.645
Alternative Learning Environment						
	Certificated	56.498	54.142	53.133	52.971	51.824
	Classified	12.590	13.614	13.523	13.498	13.402
Federal Stimulus						
	Certificated	159.492	-	-	-	-
	Classified	12.913	-	-	-	-
Special Instruction						
	Certificated	337.798	324.568	316.217	318.233	324.876
	Classified	251.354	254.196	234.162	244.517	238.399
Vocational Instruction						
	Certificated	83.362	72.000	70.800	77.300	82.395
	Classified	7.863	7.863	8.506	9.220	8.740
Skills Center						
	Certificated	23.300	22.989	23.161	20.900	21.400
	Classified	2.585	2.523	2.523	3.237	3.173
Compensatory Instruction						
	Certificated	242.467	245.583	235.031	250.740	220.661
	Classified	28.699	22.475	25.327	28.229	26.705
Other Instructional Programs						
	Certificated	15.196	13.800	14.771	16.901	17.950
	Classified	5.795	6.198	4.915	9.206	4.994
Community Services						
	Certificated	13.350	5.080	2.700	0.800	0.900
	Classified	84.251	75.004	80.324	76.732	75.987
Support Services						
	Certificated	5.475	2.000	3.961	3.200	4.200
	Classified	310.737	321.804	320.995	361.168	363.439
Food Services						
	Certificated	-	-	-	-	-
	Classified	87.116	86.856	89.719	108.912	102.634
Pupil Transportation						
	Certificated	-	-	-	-	-
	Classified	6.698	8.340	21.468	16.104	16.747
Capital Projects						
	Certificated	2.000	1.000	1.000	-	1.000
	Classified	9.178	11.143	10.739	9.900	9.700
Certificated Total		2,525.024	2,271.805	2,260.240	2,398.464	2,369.498
Classified Total		1,040.204	1,026.765	1,068.429	1,127.972	1,117.565
District Total		3,565.228	3,298.570	3,328.669	3,526.436	3,487.063

Source: OSPI 1801 Reports

SPOKANE PUBLIC SCHOOLS
FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY PROGRAM (CONTINUED)
LAST TEN FISCAL YEARS

Table XXIV

PROGRAM DESCRIPTION		2017	2016	2015	2014	2013
Regular Instruction						
	Certificated	1,613.353	1,577.816	1,516.623	1,447.988	1,361.711
	Classified	257.361	250.486	265.089	265.216	246.136
Alternative Learning Environment						
	Certificated	50.600	48.577	44.083	58.993	55.173
	Classified	13.094	13.215	11.684	15.745	14.908
Federal Stimulus						
	Certificated	-	-	-	-	-
	Classified	-	-	-	-	-
Special Instruction						
	Certificated	306.319	308.095	298.180	299.542	290.370
	Classified	221.591	201.238	188.015	183.719	167.209
Vocational Instruction						
	Certificated	89.867	93.139	98.045	105.930	105.878
	Classified	8.883	9.690	11.658	11.467	12.452
Skills Center						
	Certificated	23.562	22.000	20.412	19.345	18.000
	Classified	3.174	3.905	4.561	4.501	4.616
Compensatory Instruction						
	Certificated	202.477	192.689	172.405	179.557	170.901
	Classified	25.668	33.663	37.168	40.923	49.004
Other Instructional Programs						
	Certificated	21.650	23.850	23.660	20.500	18.325
	Classified	5.305	4.253	5.508	4.246	6.024
Community Services						
	Certificated	0.816	0.400	0.400	0.400	0.400
	Classified	82.869	76.861	51.361	48.489	72.698
Support Services						
	Certificated	4.300	5.091	4.000	3.500	2.992
	Classified	362.084	355.811	355.240	345.282	350.659
Food Services						
	Certificated	-	-	-	-	-
	Classified	101.109	99.587	100.569	95.127	96.757
Pupil Transportation						
	Certificated	-	-	-	-	-
	Classified	16.349	15.743	3.579	2.711	2.710
Capital Projects						
	Certificated	0.900	0.821	4.000	4.600	3.522
	Classified	10.077	10.210	13.250	14.977	11.959
Certificated Total		2,313.844	2,272.478	2,181.808	2,140.355	2,027.272
Classified Total		1,107.564	1,074.662	1,047.682	1,032.403	1,035.132
District Total		3,421.408	3,347.140	3,229.490	3,172.758	3,062.404

Source: OSPI 1801 Reports

**SPOKANE PUBLIC SCHOOLS
CERTIFICATED INSTRUCTIONAL STAFF INFORMATION
LAST TEN FISCAL YEARS**

Fiscal Year	Certificated Instructional Staff *	Average Base Salary *	Average Other Salaries *	Average Years of Experience **	Percent of Staff with Master's Degree **
2013	2,027	\$ 54,050	\$ 9,464	12.5	74.3%
2014	2,140	54,446	9,129	14.7	72.1%
2015	2,182	53,951	9,265	14.5	70.9%
2016	2,272	54,819	10,501	13.8	69.7%
2017	2,314	55,628	14,607	13.5	69.4%
2018	2,369	56,889	15,613	13.5	64.5%
2019	2,398	75,590	6,457	13.6	63.3%
2020	2,260	80,200	7,007	14.1	63.3%
2021	2,272	81,964	7,254	14.8	65.3%
2022	2,525	81,863	7,382	13.7	62.1%

* *Source: OSPI 1801 Reports*

** *Source: OSPI Washington State Report Card*

**SPOKANE PUBLIC SCHOOLS
CLASSIFIED STAFF INFORMATION
LAST TEN FISCAL YEARS**

Fiscal Year	Classified Staff	Average Base Salary	Average Other Salaries
2013	1,035	39,851	4,144
2014	1,032	40,431	4,836
2015	1,048	40,598	5,020
2016	1,075	42,701	3,061
2017	1,108	44,642	5,040
2018	1,118	46,711	2,423
2019	1,128	51,181	4,119
2020	1,068	52,608	5,228
2021	1,027	54,531	4,852
2022	1,040	54,683	4,248

Source: OSPI 1801 Reports