



Office of the Washington State Auditor  
Pat McCarthy

## **Financial Statements and Federal Single Audit Report**

# **Moses Lake School District No. 161**

**For the period September 1, 2023 through August 31, 2024**

*Published August 18, 2025*

Report No. 1037879



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

August 18, 2025

Board of Directors  
Moses Lake School District No. 161  
Moses Lake, Washington

**Report on Financial Statements and Federal Single Audit**

Please find attached our report on Moses Lake School District No. 161's financial statements and compliance with federal laws and regulations.

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

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### Moses Lake School District No. 161 September 1, 2023 through August 31, 2024

#### SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Moses Lake School District No. 161 are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

##### Financial Statements

We issued an unmodified opinion on the fair presentation of the District’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared using a basis of accounting other than GAAP.

##### Internal Control over Financial Reporting:

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

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

##### Federal Awards

##### Internal Control over Major Programs:

- *Significant Deficiencies:* We identified deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the District’s compliance with requirements applicable to each of its major federal programs, with the exception of 84.010 - Title I Grants to Local Educational Agencies and the Special Education Cluster program (84.027 - Special Education Grants to States and 84.173 - Special Education Preschool Grants) on which we issued adverse opinions on compliance with applicable requirements.

We reported findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

## Identification of Major Federal Programs

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

<u>ALN</u>	<u>Program or Cluster Title</u>
84.010	Title I Grants to Local Educational Agencies
84.027	Special Education Cluster (IDEA) - Special Education Grants to States
84.173	Special Education Cluster (IDEA) - Special Education Preschool Grants
84.425	COVID-19 - Education Stabilization Fund

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

The District did not qualify as a low-risk auditee under the Uniform Guidance.

## SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

See Findings 2024-001, 2024-002 and 2024-003.

## SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

### Moses Lake School District No. 161 September 1, 2023 through August 31, 2024

#### **2024-001    The District did not have adequate internal controls and did not comply with time-and-effort requirements.**

<b>Assistance Listing Number and Title:</b>	84.027, Special Education Grant to States 84.173, Special Education Preschool Grants
<b>Federal Grantor Name:</b>	U.S. Department of Education
<b>Federal Award/Contract Number:</b>	N/A
<b>Pass-through Entity Name:</b>	Office of Superintendent of Public Instruction (OSPI)
<b>Pass-through Award/Contract Number:</b>	84.027A-GT-0852; 84.173A-GT-0852; 84.173 – GT-1196
<b>Known Questioned Cost Amount:</b>	\$1,415,509
<b>Prior Year Audit Finding:</b>	N/A

#### ***Background***

During fiscal year 2024, the District spent \$1,842,531 in federal funds from the Special Education program cluster. This program ensures students with disabilities receive free and appropriate public education with specially designed instruction that addresses their unique needs.

Federal regulations require recipients to establish and maintain internal controls that ensure compliance with program requirements. These controls include understanding program requirements and monitoring the effectiveness of established controls.

The District is responsible for ensuring it supports all payroll costs it charges to the program with adequate time-and-effort documentation, as required by federal regulations and the awarding agency. Depending on the number and types of activities employees perform, time-and-effort documentation can be a semiannual certification or a monthly personnel activity report, such as a detailed timesheet. Time-and-effort documentation must also be signed and dated after employees complete the work.

If the District initially allocates payroll expenditures to federal programs based on a budgeted or estimated time or amounts, then it must compare and adjust estimated payroll time-and-effort records to actual time at least quarterly, if the difference is 10% or more. At year-end, payroll records must match time-and-effort documentation to ensure the District only charges federal programs for work directly supporting them.

### *Description of Condition*

The District's internal controls were ineffective for ensuring it supported all salaries and benefits it charged to the program with appropriate time-and-effort documentation, as federal regulations and the Office of Superintendent of Public Instruction (OSPI) require.

We consider this deficiency in internal controls to be a material weakness that led to material noncompliance.

### *Cause of Condition*

The District experienced turnover in key positions responsible for monitoring the program. As a result, the current staff were unable to demonstrate former employees dedicated the necessary time and resources to reconciling time charged to the program and ensuring it was supported with time-and-effort documentation.

### *Effect of Condition and Questioned Costs*

The District did not obtain time-and-effort documentation for 19 employees whose payroll and benefit costs totaling \$1,415,509 it charged to the program.

Without adequate time-and-effort documentation, the District cannot demonstrate compliance with the awarding agency's documentation requirements to support costs charged to federal programs. Further, the District cannot assure federal grantors that payroll costs it charged to the program were accurate and valid.

Federal regulations require the State Auditor's Office to report known questioned costs that are greater than \$25,000 for each type of compliance requirement. We question costs when we find the District does not have adequate documentation to support expenditures.

### ***Recommendation***

We recommend the District implement and follow internal controls to ensure it complies with federal and OSPI requirements for obtaining signed time-and-effort documentation timely.

### ***District's Response***

*The District acknowledges the finding and has implemented new procedures to ensure strong internal controls over time-and-effort documentation. This issue primarily occurred during a period of staff turnover. The District has since hired experienced personnel who are now overseeing federal program compliance. We have implemented a compliant time-and-effort tracking system consistent with OSPI and federal requirements. Documentation—whether semiannual certifications or monthly reports, as applicable—is collected, reviewed, and retained in accordance with the type of funding allocation. All documentation is reviewed by both the Business Office and program administrators to ensure accuracy. Monthly monitoring and required training for relevant staff are now embedded into our internal processes. The district is committed to ensuring accuracy and accountability in all federally funded programs.*

### ***Auditor's Remarks***

We thank the District for its cooperation and assistance during the audit and acknowledge its commitment to resolve this finding. We will review the corrective action taken during our next audit.



### *Applicable Laws and Regulations*

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 2 CFR Part 200, Uniform Guidance, Subpart E, Cost Principles, establishes requirements for determining allowable costs and supporting costs allocated to federal programs.

Office of Superintendent of Public Instruction Addendum to Bulletin 048-17, Guidelines for Charging Employee Compensation to Federal Grants establishes requirements for documenting time-and-effort, including fixed schedule systems.

## SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

### Moses Lake School District No. 161 September 1, 2023 through August 31, 2024

#### **2024-002    The District did not have adequate internal controls and did not comply with time-and-effort and private school requirements.**

**Assistance Listing Number and Title:** 84.010 – Title I Grants to Local Educational Agencies  
**Federal Agency Name:** U.S. Department of Education  
**Federal Award/Contract Number:** N/A  
**Pass-through Entity Name:** Office of Superintendent of Public Instruction (OSPI)  
**Pass-through Award/Contract Number:** N/A  
**Known Questioned Cost Amount:** \$2,932,172  
**Prior Year Audit Finding:** N/A

#### ***Background***

The objective of the Title I program is to improve the teaching and learning of children who are at risk of not meeting state academic standards and who live in areas with high concentrations of children from low-income families. During the 2023-2024 school year, the District spent \$2,932,172 in federal funds from the Title I program.

Federal regulations require recipients to establish and maintain internal controls that ensure compliance with program requirements. These controls include understanding program requirements and monitoring the effectiveness of established controls.

#### ***Time and Effort***

The District is responsible for ensuring it supports all payroll costs it charges to the program with adequate time-and-effort documentation, as required by federal regulations and the awarding agency. Depending on the number and types of activities employees perform, time-and-effort documentation can be a semiannual certification or a monthly personnel activity report, such as a detailed timesheet. Time-and-effort documentation must also be signed and dated after the employee completes the work.

### *Private Schools*

Federal regulations require districts using Title I funds to consult with private schools located within their boundaries to provide their eligible students, teachers and families with equitable services. The District must maintain documentation supporting that it contacted the private schools.

### ***Description of Condition***

#### *Time and Effort*

The District's internal controls were ineffective for ensuring it supported all salaries and benefits it charged to the program with appropriate time-and-effort documentation, as federal regulations and the Office of Superintendent of Public Instruction (OSPI) require.

### *Private Schools*

The District's internal controls were ineffective for ensuring it consulted with private schools within its boundaries to identify if students in the schools were eligible to receive Title I services.

We consider these deficiencies in internal controls to be material weaknesses that led to material noncompliance.

### ***Cause of Condition***

The District experienced turnover in the key position responsible for managing the program. As a result, the current staff were unable to locate supporting documentation for time-and-effort or to indicate it contacted the private schools.

### ***Effect of Condition and Questioned Costs***

#### *Time and Effort*

The District did not obtain time-and-effort documentation for 235 employees whose payroll and benefits costs totaling \$2,932,172 were charged to the program.

Federal regulations require the State Auditor's Office to report known questioned costs that are greater than \$25,000 for each type of compliance requirement. We question costs when we find the District does not have adequate documentation to support expenditures.

### *Private Schools*

The District did not contact three private schools within its boundaries to determine if there were eligible students that could have received Title I services. During our audit, the District contacted all three private schools and one of them would have been interested in participating if its students met eligibility requirements.

## ***Recommendation***

### *Time and Effort*

We recommend the District establish and follow internal controls to ensure it complies with federal and OSPI requirements for obtaining signed time-and-effort documentation timely.

### *Private Schools*

We recommend the District establish and follow internal controls to ensure it complies with federal and OSPI requirements for contacting private schools within its boundaries to determine whether eligible schools would like to participate in Title I services.

## ***District's Response***

*The District concurs with the finding. In response, the District has established a regularly updated list of private schools within our boundaries. We will be proactively reaching out to these schools each year to determine interest and eligibility for Title I services, and are documenting all correspondence. In addition, we have strengthened time-and-effort documentation procedures as described in 2024-001. Our new internal controls include multi-layered reviews and program director oversight to ensure timely, complete compliance. The District is committed to equity in services and transparency in all federal programming.*

## ***Auditor's Remarks***

We thank the District for its cooperation and assistance during the audit and acknowledge its commitment to resolve this finding. We will review the corrective action taken during our next audit.

### *Applicable Laws and Regulations*

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 2 CFR Part 200, Uniform Guidance, Subpart E, Cost Principles, establishes requirements for determining allowable costs and supporting costs allocated to federal programs.

Office of Superintendent of Public Instruction Addendum to Bulletin 048-17, Guidelines for Charging Employee Compensation to Federal Grants establishes requirements for documenting time-and-effort, including fixed schedule systems.

Title 34 CFR, Part 200, Title I – Improving the Academic Achievement of the Disadvantaged, Subpart A – Improving Basic Programs Operated by Local Education Agencies, Section 78 – Allocation of funds to school attendance areas and schools

Title 34 CFR, Part 200, Title I – Improving the Academic Achievement of the Disadvantaged, Subpart A – Improving Basic Programs Operated by Local Education Agencies, Section 64 – Factors for determining equitable participation of private school children

## SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

### Moses Lake School District No. 161 September 1, 2023 through August 31, 2024

#### **2024-003    The District did not have adequate internal controls for ensuring compliance with time-and-effort requirements.**

<b>Assistance Listing Number and Title:</b>	84.425 – COVID-19 – Educational Stabilization Fund
<b>Federal Grantor Name:</b>	U.S. Department of Education
<b>Federal Award/Contract Number:</b>	
<b>Pass-through Entity Name:</b>	Office of the Superintendent of Public Instruction (OSPI)
<b>Pass-through Award/Contract Number:</b>	84.425D-CEP Supp ESSER; 84.425U-138288; 84.425U-142142; 84.425U-145312; 84.425U-145823; 84.425V-6109; 84.425W-459563
<b>Known Questioned Cost Amount:</b>	\$47,853
<b>Prior Year Audit Finding:</b>	N/A

#### ***Background***

The objectives of the Education Stabilization Fund (ESF) program are to prevent, prepare for and respond to the COVID-19 pandemic. In fiscal year 2024, the District spent a total of \$10,463,256 of its ESF awards. This included \$191,184 in the Elementary and Secondary School Emergency Relief Fund (ESSER II) subprogram (84.425D), \$10,099,901 in the American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER/ESSER III) subprogram (84.425U), \$114,781 in the American Rescue Plan – Emergency Assistance to Non-Public Schools (ARP EANS/EANS II) subprogram (84.425V) and \$57,390 in the American Rescue Plan Elementary and Secondary School Emergency Relief – Homeless Children and Youth (ARP-HCY) subprogram (84.425W).

Federal regulations require recipients to establish and maintain internal controls that ensure compliance with program requirements. These controls include understanding program requirements and monitoring the effectiveness of established controls.

Federal regulations also establish principles and standards for determining allowable direct and indirect costs for federal awards. Additionally, federal regulations and the Office of Superintendent of Public Instruction (OSPI) require all costs charged to the program to comply with program requirements and recipients to support this compliance with proper documentation that demonstrates costs are allowable.

The District is also responsible for ensuring it supports all payroll costs charged to the program with adequate time-and-effort documentation, as required by federal regulations and the awarding agency. Depending on the number and types of activities employees perform, time-and-effort documentation can be a semiannual certification or a monthly personnel activity report, such as a detailed timesheet. Time-and-effort documentation must also be signed and dated after the work is completed.

### *Description of Condition*

The District's internal controls were ineffective for ensuring it supported all salaries and benefits it charged to the program with appropriate time-and-effort documentation, as federal regulations and OSPI require. Our audit found the District transferred \$47,853 of salary and benefit amounts to its ESSER III (84.425U) award that were originally coded to other local, state and federal programs, resulting in employees being charged to multiple federal programs without appropriate time-and-effort documentation.

We consider this internal control deficiency to be a significant deficiency.

### *Cause of Condition*

The District experienced turnover in the key position responsible for managing the program. As a result, the current staff were unable to find any documentation showing time-and-effort had been collected.

### *Effect of Condition and Questioned Costs*

Using a statistical sample of all journal entry transactions that included both accounts payable and payroll disbursements, we found nine out of 29 transactions we tested had exceptions. Those exceptions were related to salaries and benefits totaling \$47,853 that were not supported by time-and-effort documentation. Based on the projection of our sample, we identified an additional \$651,791 in estimated unsupported costs.

Without adequate time-and-effort documentation, the District cannot demonstrate compliance with the awarding agency's documentation requirements to support costs charged to federal programs. Further, the District cannot assure federal grantors that payroll costs it charged to the program were accurate and valid.

Federal regulations require the State Auditor's Office to report known and likely questioned costs that are more than \$25,000 for each type of compliance requirement. We question costs when we find the District does not have adequate documentation to support expenditures.

### ***Recommendation***

We recommend the District implement and follow internal controls to ensure it complies with federal and OSPI requirements for obtaining signed time-and-effort documentation timely.

### ***District's Response***

*The District acknowledges this finding and has taken steps to address all time-and-effort documentation issues. New procedures are now in place, including formal time-and-effort tracking using the appropriate method—semiannual or monthly—based on program guidelines and funding structure. The District has also implemented a policy that requires all journal entries to include supporting documentation. Each journal entry is reviewed and approved by multiple staff, including Business Office staff and program directors, before posting. These safeguards will ensure accountability, prevent future exceptions, and maintain public trust.*

### ***Auditor's Remarks***

We thank the District for its cooperation and assistance during the audit and acknowledge its commitment to resolve this finding. We will review the corrective action taken during our next audit.



### *Applicable Laws and Regulations*

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303 Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 2 CFR Part 200, Uniform Guidance, section 403, Factors affecting allowability of costs, describes the cost principles for how direct and indirect costs should be charged to federal programs.

Title 2 CFR Part 200, Uniform Guidance, Subpart E, Cost Principles, establishes requirements for determining allowable costs and supporting costs allocated to federal programs.

Office of Superintendent of Public Instruction Addendum to Bulletin 048-17, Guidelines for Charging Employee Compensation to Federal Grants establishes requirements for documenting time-and-effort, including fixed schedule systems.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Moses Lake School District No. 161 September 1, 2023 through August 31, 2024

This schedule presents the status of findings reported in prior audit periods.

<b>Audit Period:</b> September 1, 2022 through August 31, 2023	<b>Report Reference No.:</b> 1036698	<b>Finding Ref. No.:</b> 2023-001	<b>ALN(s):</b> 84.425
<b>Federal Program Name and Granting Agency:</b> COVID-19 Education Stabilization Fund and U.S. Department of Education		<b>Pass-Through Agency Name:</b> Office of Superintendent of Public Instruction	
<b>Finding Caption:</b> <p>The District did not have adequate internal controls and did not comply with allowable activities and allowable costs requirements</p>			
<b>Background:</b> <p>We found the District requested and received reimbursement for \$6,045,417 in direct costs and \$802,417 in indirect costs that lacked support to demonstrate costs were allowable. Without support identifying specific expenditures charged to the program, the District cannot demonstrate compliance with program requirements and we cannot confirm that costs were allowable, so we are questioning these costs.</p> <p>Federal regulations require the State Auditor's Office to report known questioned costs that are more than \$25,000 for each type of compliance requirement. We question costs when we find the District has not complied with grant regulations and/or when it does not have adequate documentation to support expenditures.</p>			
<b>Status of Corrective Action: (check one)</b> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input checked="" type="checkbox"/> Fully Corrected         </div> <div style="text-align: center;"> <input type="checkbox"/> Partially Corrected         </div> <div style="text-align: center;"> <input type="checkbox"/> Not Corrected         </div> <div style="text-align: center;"> <input type="checkbox"/> Finding is considered no longer valid         </div> </div>			

**Corrective Action Taken:**

*The District has implemented internal controls to avoid future questioned costs. Expenses are required to be entered into the data management system with accurate budget codes reflecting correct programs; dual authentication is required for all expenditures; pre-authorization with reference to correct accounting codes is required for expenditures; supporting documentation is required for all expenditures to ensure charges to any program are within the allowable costs for the program.*

*Specifically related to the questioned cost in this schedule, the District is working with the Office of Superintendent of Public Instruction (OSPI) to provide supporting documentation for all questioned costs. The business manager has provided OSPI the accounts payable, payroll, and journal voucher transaction recap reports as well as payroll reports for each Education Stabilization Fund program journal voucher entry that was noted to be lacking backup documentation. The District is working with OSPI to resolve all issues and anticipates full resolution. The District has evidence that all amounts charged to the Education Stabilization Fund were allowable activities and allowable costs.*

## INDEPENDENT AUDITOR'S REPORT

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

#### **Moses Lake School District No. 161 September 1, 2023 through August 31, 2024**

Board of Directors  
Moses Lake School District No. 161  
Moses Lake, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Moses Lake School District No. 161, as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated August 6, 2025.

We issued an unmodified opinion on the fair presentation of the District's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because, as described in Note 1, the *Accounting Manual for Public School Districts in the State of Washington* does not require the District to prepare the government-wide statements presenting the financial position and changes in financial position of its governmental activities as required by GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

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

We noted certain other matters that we will report to the management of the District in a separate letter dated August 6, 2025.

## **REPORT ON COMPLIANCE AND OTHER MATTERS**

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

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

## **PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However,

this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy, State Auditor

Olympia, WA

August 6, 2025

## INDEPENDENT AUDITOR'S REPORT

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

### **Moses Lake School District No. 161 September 1, 2023 through August 31, 2024**

Board of Directors  
Moses Lake School District No. 161  
Moses Lake, Washington

## **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

### **Adverse and Unmodified Opinions**

We have audited the compliance of Moses Lake School District No. 161, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2024. The District's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### **Adverse Opinion on 84.010 - Title I Grants to Local Educational Agencies and the Special Education Cluster (84.027 - Special Education Grants to States and 84.173 - Special Education Preschool Grants)**

In our opinion, because of the significance of the matters described below, the District did not comply, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on 84.010 - Title I Grants to Local Educational Agencies and the Special Education Cluster (84.027 - Special Education Grants to States and 84.173 - Special Education Preschool Grants) for the year ended August 31, 2024.

### **Unmodified Opinion on Each of the Other Major Federal Programs**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the accompanying Schedule of Findings and Questioned Costs for the year ended August 31, 2024.

## **Basis for Adverse and Unmodified Opinions**

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 adverse and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

## **Matter Giving Rise to Adverse Opinion on 84.010 - Title I Grants to Local Educational Agencies and the Special Education Cluster (84.027 - Special Education Grants to States and 84.173 - Special Education Preschool Grants)**

As described in the accompanying Schedule of Findings and Questioned Costs and in Finding 2024-001, the District did not comply with the requirements regarding the Special Education Cluster (84.027- Special Education Grants to States and 84.173 – Special Education Preschool Grants) for allowable costs for time and effort requirements. Also, as described in the accompanying Schedule of Findings and Questioned Costs and in Finding 2024-002, the District did not comply with the requirements regarding 84.010 – Title I Grants to Local Educational Agencies for allowable costs for time and effort requirements and special tests and provisions - private school requirements. Compliance with such requirements is necessary, in our opinion for the District to comply with the requirements applicable to that program.

## **Responsibilities of Management for Compliance**

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



## Auditor's Responsibilities for the Audit of Compliance

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

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

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

## District's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Federal Award Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

However, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies. In the accompanying Schedule of Federal Award Findings and Questioned Costs, we consider the deficiencies described in Findings 2024-001 and 2024-002 to be material weaknesses and the deficiencies described in Finding 2024-003 to be a significant deficiency.

### District's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Federal Award Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Purpose of this Report

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

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

August 6, 2025

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **Moses Lake School District No. 161 September 1, 2023 through August 31, 2024**

Board of Directors  
Moses Lake School District No. 161  
Moses Lake, Washington

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Unmodified and Adverse Opinions**

We have audited the financial statements of Moses Lake School District No. 161, as of and for the year ended August 31, 2024, and the related notes to the financial statements, as listed in the financial section of our report.

### **Unmodified Opinion on Regulatory Basis of Accounting (Accounting Manual)**

As described in Note 1 the District has prepared these financial statements to meet the financial reporting requirements of state law and the accounting practices prescribed by the *Accounting Manual for Public School Districts in the State of Washington* (Accounting Manual). Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of Moses Lake School District No. 161, as of the year ended August 31, 2024, and the regulatory basis of changes in financial position thereof for the year then ended, on the basis of accounting as described in Note 1.

### **Adverse Opinion on U.S. GAAP**

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Moses Lake School District No. 161, as of August 31, 2024, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

## **Basis for Unmodified and Adverse Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Governmental Auditing Standards*. 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 unmodified and adverse audit opinions.

## **Matter Giving Rise to Adverse Opinion on U.S. GAAP**

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the government-wide financial statements are prepared by the District in accordance with state law using accounting practices prescribed by the Accounting Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of state law and the Accounting Manual described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible 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 Responsibility 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
- We are required to 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.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Long-Term Liabilities is also presented for purposes of additional analysis, as required by the prescribed Accounting Manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements, and certain additional procedures,

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

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Pat McCarthy, State Auditor

Olympia, WA

August 6, 2025

## **FINANCIAL SECTION**

### **Moses Lake School District No. 161 September 1, 2023 through August 31, 2024**

#### **FINANCIAL STATEMENTS**

Balance Sheet – Governmental Funds – 2024

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental  
Funds – 2024

Notes to Financial Statements – 2024

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Long-Term Liabilities – 2024

Schedule of Expenditures of Federal Awards – 2024

Notes to the Schedule of Expenditures of Federal Awards – 2024



Moses Lake School District No. 161  
Balance Sheet - Governmental Funds  
August 31, 2024

	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Permanent Fund	Total
<b>Assets</b>							
Cash and Cash Equivalents	15,858,674.30	1,038,229.79	3,143,947.54	8,507,133.28	666,976.41	0.00	29,214,961.32
Minus Warrants Outstanding	-5,314,195.37	-6,402.94	0.00	0.00	0.00	0.00	-5,320,598.31
Taxes Receivable	4,811,478.39		3,130,165.96	0.00	0.00	0.00	7,941,644.35
Due From Other Funds	67,581.04	846.40	0.00	371,219.11	0.00	0.00	439,646.55
Due From Other Governmental Units	1,551,199.53	0.00	0.00	0.00	0.00	0.00	1,551,199.53
Accounts Receivable	104,245.14	0.00	0.00	0.00	0.00	0.00	104,245.14
Interfund Loans Receivable	0.00			0.00			0.00
Accrued Interest Receivable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	111,495.29	0.00		0.00			111,495.29
Prepaid Items	148,243.18	8,370.00			0.00	0.00	156,613.18
Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments/Cash With Trustee	607,428.47		0.00	0.00	0.00	0.00	607,428.47
Investments-Deferred Compensation	0.00			0.00			0.00
Self-Insurance Security Deposit	0.00						0.00
<b>TOTAL ASSETS</b>	<b>17,946,149.97</b>	<b>1,041,043.25</b>	<b>6,274,113.50</b>	<b>8,878,352.39</b>	<b>666,976.41</b>	<b>0.00</b>	<b>34,806,635.52</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>							
Deferred Outflows of Resources - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>17,946,149.97</b>	<b>1,041,043.25</b>	<b>6,274,113.50</b>	<b>8,878,352.39</b>	<b>666,976.41</b>	<b>0.00</b>	<b>34,806,635.52</b>
<b>LIABILITIES</b>							
Accounts Payable	984,944.22	14,815.12	0.00	120,072.43	0.00	0.00	1,119,831.77
Contracts Payable Current	0.00	0.00		0.00	0.00	0.00	0.00
Accrued Interest Payable			0.00				0.00

The accompanying notes are an integral part of this financial statement.

Moses Lake School District No. 161  
Balance Sheet - Governmental Funds  
August 31, 2024

	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Permanent Fund	Total
Accrued Salaries	0.00	0.00		0.00			0.00
Anticipation Notes Payable	0.00		0.00	0.00	0.00		0.00
<b>LIABILITIES:</b>							
Payroll Deductions and Taxes Payable	0.00	0.00		0.00			0.00
Due To Other Governmental Units	3,587.93	0.00		0.00	0.00	0.00	3,587.93
Deferred Compensation Payable	0.00			0.00			0.00
Estimated Employee Benefits Payable	0.00						0.00
Due To Other Funds	356,227.83	65,572.82	0.00	17,845.90	0.00	0.00	439,646.55
Interfund Loans Payable	0.00		0.00	0.00	0.00		0.00
Deposits	0.00	0.00		0.00			0.00
Unearned Revenue	0.00	0.00	0.00	0.00	0.00		0.00
Matured Bonds Payable			0.00				0.00
Matured Bond Interest Payable			0.00				0.00
Arbitrage Rebate Payable	0.00		0.00	0.00	0.00		0.00
<b>TOTAL LIABILITIES</b>	<b>1,344,759.98</b>	<b>80,387.94</b>	<b>0.00</b>	<b>137,918.33</b>	<b>0.00</b>	<b>0.00</b>	<b>1,563,066.25</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue	26,712.20	0.00		0.00	0.00	0.00	26,712.20
Unavailable Revenue - Taxes Receivable	4,811,478.39		3,130,165.96	0.00	0.00		7,941,644.35
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>4,838,190.59</b>	<b>0.00</b>	<b>3,130,165.96</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7,968,356.55</b>
<b>FUND BALANCE:</b>							
Nonspendable Fund Balance	259,738.47	8,370.00	0.00	0.00	0.00	0.00	268,108.47
Restricted Fund Balance	0.00	952,285.31	3,143,947.54	0.00	666,976.41	0.00	4,763,209.26
Committed Fund Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assigned Fund Balance	639,130.06	0.00	0.00	8,740,434.06	0.00	0.00	9,379,564.12

The accompanying notes are an integral part of this financial statement.

Moses Lake School District No. 161  
Balance Sheet - Governmental Funds  
August 31, 2024

	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Permanent Fund	Total
Unassigned Fund Balance	10,864,330.87	0.00	0.00	0.00	0.00	0.00	10,864,330.87
<b>TOTAL FUND BALANCE</b>	<b>11,763,199.40</b>	<b>960,655.31</b>	<b>3,143,947.54</b>	<b>8,740,434.06</b>	<b>666,976.41</b>	<b>0.00</b>	<b>25,275,212.72</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE</b>	<b>17,946,149.97</b>	<b>1,041,043.25</b>	<b>6,274,113.50</b>	<b>8,878,352.39</b>	<b>666,976.41</b>	<b>0.00</b>	<b>34,806,635.52</b>

The accompanying notes are an integral part of this financial statement.

Moses Lake School District No. 161

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

For the Year Ended August 31, 2024

	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Permanent Fund	Total
<b>REVENUES:</b>							
Local	8,617,688.33	645,941.25	7,032,162.63	289,810.57	10,873.43		16,596,476.21
State	122,060,786.56		0.00	0.00	623,952.90		122,684,739.46
Federal	21,679,942.06		39.43	0.00	0.00		21,679,981.49
Other	420,893.89			0.00	0.00	0.00	420,893.89
<b>TOTAL REVENUES</b>	<b>152,779,310.84</b>	<b>645,941.25</b>	<b>7,032,202.06</b>	<b>289,810.57</b>	<b>634,826.33</b>	<b>0.00</b>	<b>161,382,091.05</b>
<b>EXPENDITURES:</b>							
<b>CURRENT:</b>							
Regular Instruction	70,792,004.33						70,792,004.33
Special Education	22,066,557.97						22,066,557.97
Vocational Education	5,463,653.95						5,463,653.95
Skill Center	2,985,847.18						2,985,847.18
Compensatory Programs	13,702,857.70						13,702,857.70
Other Instructional Programs	305,906.96						305,906.96
Federal Stimulus COVID-19	9,356,981.02						9,356,981.02
Community Services	334,116.40						334,116.40
Support Services	30,461,110.31						30,461,110.31
Student Activities/Other		535,071.66				0.00	535,071.66
<b>CAPITAL OUTLAY:</b>							
Sites				4,014.31			4,014.31
Building				1,753,891.31			1,753,891.31
Equipment				214,293.47			214,293.47
Instructional Technology				0.00			0.00
Energy				0.00	0.00		0.00
Transportation Equipment					765,276.50		765,276.50
Sales and Lease							0.00
Other	949,163.09						949,163.09
<b>DEBT SERVICE:</b>							
Principal	125,231.71		4,185,000.00	0.00	0.00		4,310,231.71

The accompanying notes are an integral part of this financial statement.

Moses Lake School District No. 161

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

For the Year Ended August 31, 2024

	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Permanent Fund	Total
Interest and Other Charges	20,086.44		3,820,575.00	2,600.00	0.00		3,843,261.44
Bond/Levy Issuance				0.00	0.00		0.00
<b>TOTAL EXPENDITURES</b>	<b>156,563,517.06</b>	<b>535,071.66</b>	<b>8,005,575.00</b>	<b>1,974,799.09</b>	<b>765,276.50</b>	<b>0.00</b>	<b>167,844,239.31</b>
REVENUES OVER (UNDER) EXPENDITURES	-3,784,206.22	110,869.59	-973,372.94	-1,684,988.52	-130,450.17	0.00	-6,462,148.26
<b>OTHER FINANCING SOURCES (USES) :</b>							
Bond Sales & Refunding Bond Sales	0.00		0.00	0.00	0.00		0.00
Long-Term Financing	585,830.46			0.00	0.00		585,830.46
Transfers In	0.00		0.00	0.00	0.00		0.00
Transfers Out (GL 536)	0.00		0.00	0.00	0.00	0.00	0.00
Other Financing Uses (GL 535)	0.00		0.00	0.00	0.00		0.00
Other	9,246.66		0.00	0.00	14,725.00		23,971.66
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>595,077.12</b>		<b>0.00</b>	<b>0.00</b>	<b>14,725.00</b>	<b>0.00</b>	<b>609,802.12</b>
<b>EXCESS OF REVENUES/OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>-3,189,129.10</b>	<b>110,869.59</b>	<b>-973,372.94</b>	<b>-1,684,988.52</b>	<b>-115,725.17</b>	<b>0.00</b>	<b>-5,852,346.14</b>
<b>BEGINNING TOTAL FUND BALANCE</b>	<b>14,736,397.28</b>	<b>849,785.72</b>	<b>4,769,920.48</b>	<b>10,307,503.96</b>	<b>782,701.58</b>	<b>0.00</b>	<b>31,446,309.02</b>
Accounting Changes and Error Corrections	215,931.22	0.00	-652,600.00	117,918.62	0.00	0.00	-318,750.16
<b>ENDING TOTAL FUND BALANCE</b>	<b>11,763,199.40</b>	<b>960,655.31</b>	<b>3,143,947.54</b>	<b>8,740,434.06</b>	<b>666,976.41</b>	<b>0.00</b>	<b>25,275,212.72</b>

The accompanying notes are an integral part of this financial statement.

**Moses Lake School District #161**  
**Notes to Financial Statements**  
September 1, 2023 through August 31, 2024

**Note 1: Summary of significant accounting policies**

The Moses Lake School District School District (District) is a municipal corporation organized pursuant to Title 28A of the Revised Code of Washington (RCW) for the purposes of providing public school services to students in grades K–12. Oversight responsibility for the District's operations is vested with the independently elected board of directors. Management of the District is appointed by and is accountable to the board of directors. Fiscal responsibility, including budget authority and the power to set fees, levy property taxes, and issue debt consistent with provisions of state statutes, also rests with the board of directors.

The District presents governmental fund financial statements and related notes on the modified accrual basis of accounting in accordance with the *Accounting Manual for Public School Districts in the State of Washington*, issued jointly by the State Auditor's Office and the Superintendent of Public Instruction by the authority of RCW 43.09.200, RCW 28A.505.140, RCW 28A.505.010(1) and RCW 28A.505.020. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- (1) Districtwide statements, as defined in GAAP, are not presented.
- (2) A Schedule of Long-Term Liabilities is presented as supplementary information.
- (3) Supplementary information required by GAAP is not presented.
- (4) Property Taxes collected after the end of the fiscal period are not considered available for revenue accrual as described below.

**Fund Accounting**

Financial transactions of the District are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures (or expenses) as appropriate. All funds are considered major funds. The various funds in the report are grouped into governmental (and fiduciary) funds as follows:

**Governmental Funds**

General Fund

This fund is used to account for all expendable financial resources, except for those that are required to be accounted for in another fund. In keeping with the principle of having as few funds as are necessary, activities such as food services, maintenance, data processing, printing, and student transportation are included in the General Fund.

Capital Projects Funds

These funds account for financial resources that are to be used for the construction or acquisition of major capital assets. There are two funds that are considered to be of the capital projects fund type: the Capital Projects Fund and the Transportation Vehicle Fund.

Capital Projects Fund. This fund is used to account for resources set aside for the acquisition and construction of major capital assets such as land and buildings.

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

#### Debt Service Fund

This fund is used to account for the accumulation of resources for and the payment of matured general long-term debt principal and interest.

#### Special Revenue Fund

In Washington state, the only allowable special revenue fund for school districts is the Associated Student Body (ASB) Fund. This fund is accounted for in the District's financial statements as the financial resources legally belong to the District. As a special revenue fund, amounts within the ASB Fund may only be used for those purposes that relate to the operation of the Associated Student Body of the District.

### **Measurement focus, basis of accounting, and fund financial statement presentation**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered "measurable" if the amount of the transaction can be readily determined. Revenues are considered "available" when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after year-end. Categorical program claims and interdistrict billings are measurable and available and are accrued. Property taxes not collected by the fiscal year end are measurable and recorded as a receivable, however the receivable is not considered available revenue and is recorded as a deferred inflow of resources.

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for unmatured principal and interest on long-term debt which are recorded when due. Purchases of capital assets are expensed during the year of acquisition. For federal grants, the recognition of expenditures is dependent on the obligation date. (Obligation means a purchase order has been issued, contracts have been awarded, or goods and/or services have been received.)

### ***Budgets***

Chapter 28A.505 RCW and Chapter 392-123 Washington Administrative Code (WAC) mandate school district budget policies and procedures. The board adopts annual appropriated budgets for all governmental funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Appropriations lapse at the end of the fiscal period.

Budgets are adopted on the same modified accrual basis as used for financial reporting. Fund balance is budgeted as available resources and, under statute, may not be negative, unless the District enters into binding conditions with state oversight pursuant to RCW 28A.505.110.

**The government's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.**

The District receives state funding for specific categorical education-related programs. Amounts that are received for these programs that are not used in the current fiscal year may be carried forward into the subsequent fiscal year, where they may be used only for the same purpose as they were originally received. When the District has such carryover, those funds are expended before any amounts received in the current year are expended.

Additionally, the District has other restrictions placed on its financial resources. When expenditures are recorded for purposes for which a restriction or commitment of fund balance is available, those funds that are restricted or committed to that purpose are considered first before any unrestricted or unassigned amounts are expended.

***The government's fund balance classifications policies and procedures.***

The District classifies ending fund balance for its governmental funds into five categories.

Nonspendable Fund Balance. The amounts reported as Nonspendable are resources of the District that are not in spendable format. They are either non-liquid resources such as inventory or prepaid items, or the resources are legally or contractually required to be maintained intact.

Restricted Fund Balance. Amounts that are reported as Restricted are those resources of the District that have had a legal restriction placed on their use either from statute, WAC, or other legal requirements that are beyond the control of the board of directors. Restricted fund balance includes anticipated recovery of revenues that have been received but are restricted as to their usage.

Committed Fund Balance. Amounts that are reported as Committed are those resources of the District that have had a limitation placed upon their usage by formal action of the District's board of directors. Commitments are made either through a formal adopted board resolution or are related to a school board policy. Commitments may only be changed when the resources are used for the intended purpose or the limitation is removed by a subsequent formal action of the board of directors.

Assigned Fund Balance. In the General Fund, amounts that are reported as Assigned are those resources that the District has set aside for specific purposes. These accounts reflect tentative management plans for future financial resource use such as the replacement of equipment or the assignment of resources for contingencies. Assignments reduce the amount reported as Unassigned Fund Balance, but may not reduce that balance below zero.

In other governmental funds, Assigned fund balance represents a positive ending spendable fund balance once all restrictions and commitments are considered. These resources are only available for expenditure in that fund and may not be used in any other fund without formal action by the District's board of directors and as allowed by statute.



The Superintendent and the Executive Director of Finance and Operations are the only persons who have the authority to create Assignments of fund balance.

Unassigned Fund Balance. In the General Fund, amounts that are reported as Unassigned are those net spendable resources of the District that are not otherwise Restricted, Committed, or Assigned, and may be used for any purpose within the General Fund.

In other governmental funds, Unassigned fund balance represents a deficit ending spendable fund balance once all restrictions and commitments are considered.

A negative Unassigned fund balance means that the legal restrictions and formal commitments of the District exceed its currently available resources.

### **Cash and Cash Equivalents**

All of the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

### **Receivables and Payables**

All receivables and payables are expected to be received or paid within one year or less.

### **Capitalization Threshold for Leases and Subscription-Based Information Technology Arrangements (SBITAs)**

The District follows the modified accrual basis of accounting in its treatment of leases and SBITAs. Agreements are evaluated regarding the lease term, payments, and discount rates as well as materiality to the District's financial position. The District's capitalization threshold for recognition of leases and SBITAs is \$5,000. Arrangements that are considered short term or do not meet capitalization thresholds are treated as revenues and expenditures in the current year.

### **Inventory**

Inventory is valued at cost using the weighted average method. The consumption method of inventory is used, which charges inventory as an expenditure when it is consumed. A portion of fund balance, representing inventory, is considered Nonspendable. *(Such reserves for inventory indicate that a portion of net current assets is set aside to replace or increase the inventory.)* USDA commodity inventory consists of food donated by the United States Department of Agriculture. It is valued at the prices paid by the USDA for the commodities.

### **Accounting and Reporting Changes**

#### **Subscription-Based Information Technology Arrangements (SBITA)**

For the year ended August 31, 2023, the District implemented guidance for the presentation and disclosures of Subscription-Based Information Technology Arrangements (SBITA), as required by the School District Accounting Manual. These changes were in response to the provisions of GASB Statement No. 96. As a result, the impact to the District of the adoption of the new SBITA requirements include:

- Beginning balances for SBITAs presented on the Schedule of Long-Term Liabilities have been restated to reflect implementation of these requirements.

Information regarding the District's SBITAs are presented in the SBITAs note, as applicable.

### **Accounting Changes and Error Corrections**

For the year ended August 31, 2024, the district implemented guidance for the presentation and disclosures of Accounting and Error Corrections, as required by the School District Accounting Manual. These changes were in response to the provision of GASB Statement No. 100.

The District reported several error corrections as described in Note 12.

### **NOTE 2: DEPOSITS AND INVESTMENTS**

All of the District's bank balances are insured by the Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

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

The Grant County Treasurer is the *ex officio* treasurer for the District and holds all accounts of the District. The District directs the County Treasurer to invest those financial resources of the District that the District has determined are not needed to meet the current financial obligations of the District.

The district's deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

The district's participation in the Grant County Investment Pool is voluntary and the pool does not have a credit rating. The district reports its investment in the pool at the fair value amount, which is [not] the same as the value of the pool per share. The fair value of the district's investment in the pool is measured using a net asset value (NAV) as determined by the pool. The pool maintains a weighted average maturity of 410 days.

All of the District's investments during the year and at year-end were insured or registered and held by the District or its agent in the District's name.

Washington State statutes authorize the district to invest in the following types of securities:

- Certificates, notes, or bonds of the United States, its agencies, or any corporation wholly owned by the government of the United States,
- Obligations of government-sponsored corporations which are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System,
- Bankers' acceptances purchased on the secondary market,
- Repurchase agreements for securities listed in the three items above, provided that the transaction is structured so that the public treasurer obtains control over the underlying securities,
- Investment deposits with qualified public depositories,
- Washington State Local Government Investment Pool, and
- County Treasurer Investment Pools.

The District's investments as of August 31, 2024, are as follows:

Type of Investment	District's own investments	Investments held by District as an agent for other organizations	Total
Fund 10 - General Fund County Treasurer Investment Pool	10,413,942.44		10,413,942.44
Fund 20 - Capital Fund County Treasurer Pool	8,507,119.11		8,507,119.11
Fund 30 -Debt Service Fund County Treasurer Pool	3,059,772.50		3,059,772.50
Fund 40 - ASB Fund County Treasurer Investment Pool	690,761.24		690,761.24
Fund 90 - TV Fund County Treasurer Pool	666,976.27		666,976.27
Total	23,338,571.56		23,338,571.56

### **NOTE 3: SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS**

In February and April of 2024, The district had subsequent levy failures. In May of 2024, the district discovered that it had failed to reverse out revenue accruals that were done in the prior year-end process. This caused the district to place a spending freeze through the remainder of the 2023-24 school year. In preparation for the 2024-25 school year, the district implemented a reduction-in-force (RIF that reduced certificated staff by 113 FTE and classified staff by 100 FTE. The district also made major reductions to the materials, supplies, purchased services and operating costs which allowed for a balanced 2024-25 school year budget. In February of 2025, the district passed a four-year levy which encompasses the 2026-2029 calendar years.

The 2022-23 school year audit the district was found to have inadequate internal controls to ensure The ESF program expenditures were supported with documentation demonstrating that costs were for allowable activities. These questioned costs have been reported to OSPI. The district is currently working with OSPI to provide the information that these costs were supported, approved and allowable.

#### **NOTE 4: PENSION PLANS**

##### **General Information**

The Washington State Department of Retirement Systems (DRS), a department within the primary government of the state of Washington, prepares a stand-alone annual comprehensive financial report 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.

The school district is reporting the net pension liability in the notes and on the Schedule of Long-term Liabilities calculated as the district's proportionate allocation percentage multiplied by the total plan collective net pension liability. The DRS total collective net pension liabilities for the pension plans school districts participate in are shown here.

##### **The Collective Net Pension Liability (Asset)**

The collective net pension liability or asset for the pension plans districts participated in are reported in the following tables

The Collective Net Pension Liability or (Asset) as of June 30, 2024				
	Total Pension Liability	Plan fiduciary net position	Participating employers' net pension liability or (Asset)	Plan fiduciary net position as a percentage of the total pension liability
PERS 1	11,141,258,000	9,364,420,000	1,776,838,000	84.05%
SERS 2/3	10,201,439,000	10,235,276,000	(33,837,000)	100.33%
TRS 1	8,237,102,000	7,127,805,000	1,109,297,000	86.53%
TRS 2/3	27,509,649,000	27,309,259,000	200,390,000	99.27%

Detailed information about the pension plans' fiduciary net position is available in the separately issued DRS report. 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 [Annual Financial Reports](http://www.drs.wa.gov) or <http://www.drs.wa.gov>.

##### **Membership Participation**

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

## Membership & Plan Benefits

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

### TRS Plan Information

TRS was established in 1938, and its retirement provisions are contained in Chapters 41.32 and 41.34 RCW. TRS eligibility for membership requires service as a certificated, public-school employee working in an instructional, administrative, or supervisory capacity. TRS is a cost-sharing multi-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 is comprised of three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is a single plan for accounting purposes.

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

Members are eligible for retirement at any age after 30 years of service, at the age of 60 with five years of service, or at the age of 55 with 25 years of service. Other benefits include temporary and permanent disability payments, an optional cost-of-living adjustment (COLA).

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

Members are eligible for retirement with a full benefit at age 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. TRS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by a factor that varies according to age for each year before age 65. TRS Plan 2/3 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit.

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

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

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

#### PERS Plan Information

PERS was established in 1947, and its retirement benefit provisions are contained in Chapters 41.34 and 41.40 RCW. PERS is a cost-sharing, multiple-employer retirement system. PERS Plan 1 provides retirement, disability, and death benefits. Retirement benefits are determined as 2% times the member's Average Final Compensation (AFC) times the member's years of service. AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service.

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

#### SERS Plan Information

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

SERS is a cost-sharing, multiemployer retirement system comprised of two separate plans for membership purposes. SERS Plan 2 is a defined benefit plan and SERS Plan 3 is a defined benefit plan with a defined contribution component.

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

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

Members are eligible for retirement with a full benefit at age 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. SERS members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by a factor that varies according to age for each year before age 65.

SERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen.

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

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

### Plan Contributions

The employer contribution rates for PERS, TRS, and SERS (Plans 1, 2, and 3) and the TRS and SERS Plan 2 employee contribution rates are established by the Pension Funding Council based upon the rates set by the Legislature. The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW for PERS, Chapters 41.35 and 41.45 RCW for SERS, and Chapters 41.32 and 41.45 RCW for TRS. Employers do not contribute to the defined contribution portions of TRS Plan 3 or SERS Plan 3. Under current law the employer must contribute 100 percent of the employer-required contribution. The employee contribution rate for Plan 1 in PERS and TRS is set by statute at six percent and does not vary from year to year.

The employer and employee contribution rates for all plans were effective as of September 1, 2023. PERS contribution rates changed on July 1, 2024. The pension plan contribution rates (expressed as a percentage of covered payroll) for fiscal year 2024 are listed below:

	From this date	Through this date	Member rate	Employer rate	
<b>PERS 1</b>	7/1/2023	6/30/2024	6.00%	9.53%	
<b>PERS 1</b>	7/1/2024	8/31/2024	6.00%	9.03%	
<b>SERS 2</b>	9/1/2023	8/31/2024	7.76%	10.93%	
<b>SERS 3</b>	9/1/2023	8/31/2024	*	10.93%	**
<b>TRS 1</b>	9/1/2023	8/31/2024	6.00%	9.70%	
<b>TRS 2</b>	9/1/2023	8/31/2024	8.05%	9.70%	
<b>TRS 3</b>	9/1/2023	8/31/2024	*	9.70%	**
<i>Note: The Employer rates include .0020 DRS administrative expense.</i>					
* – TRS and SERS Plan 3 Employee Contribution Variable from 5% to 15% based on rate selected by the employee member.					
** – TRS and SERS Plan 2/3 Employer Contributions for defined benefit portion only.					

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

At June 30, 2024, the school district reported a total liability of \$12,091,369 for its proportionate shares of the individual plans' collective net pension liability and \$1,880,128 for its proportionate shares of net pension assets. Proportions of net pension amounts are based on annual contributions for each of the employers participating in the DRS administered plans. At June 30, 2024 the district's proportionate share of each plan's net pension liability is reported below:

June 30, 2024	PERS 1	SERS 2/3	TRS 1	TRS 2/3
District's Annual Contributions	732,497	1,821,143	1,680,520	5,367,096
Proportionate Share of the Net Pension Liability ( <i>Asset</i> )	2,174,209	(236,958)	8,362,028	1,515,467

At June 30, 2024, the school district's percentage of the proportionate share of the collective net pension amount was as follows and the change in the allocation percentage from the prior period is illustrated below.

Change in Proportionate Shares	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Current year proportionate share	0.122364%	0.700293	0.753819	0.756259
Prior year proportionate share	0.120317	0.681623	0.737839	0.736413
Net difference percentage	0.002047	0.018670	0.015974	0.019845

### Actuarial Assumptions

The total pension liabilities for TRS 1, TRS 2/3, PERS 1 and SERS 2/3 were determined by actuarial valuation as of June 30, 2022, with the results rolled forward to June 30, 2024, 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%

### Mortality Rates

Mortality rates used in the plans were developed using the Society of Actuaries' Pub.H-2010 Mortality rates, which vary by member status as the base table. OSA applies age offsets for each system to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale to project mortality rates for every year after the 2010 base table. The actuarial assumptions used in the June 30, 2022, valuation were based on the results of the *2013–2018 Demographic Experience Study Report and the 2021 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2022 actuarial valuation report.



#### Long-term Expected Rate of Return

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

The CMAs contain three pieces of information for each class of assets the WSIB currently invest in:

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

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

The expected future rates of return are developed by the WSIB for each major asset class.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2021, are summarized in the following table:

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

The inflation component used to create the above table was 2.20% and represents WSIB's long-term estimate of broad economic inflation consistent with their 2021 CMAs.

#### Discount Rate

The discount rate used to measure the total pension liability was 7.00%. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members.

Based on the assumptions described in the DRS Certification Letter, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return, a 7.00% on pension plan investments was applied to determine the total pension liability or (asset).

#### **Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following table presents the Moses Lake School District's proportionate share of the collective net pension liability or asset calculated using the discount rate of 7.00%, as well as what the net pension liability or asset would be if it were calculated using a discount rate that is 1 percentage-point lower

(6.00%) or 1 percentage-point higher (8.00%) than the current rate. Amounts are calculated using the school district's specific allocation percentage, by plan, to determine the proportionate share of the collective net pension liability or asset.

Sensitivity of the Net Pension Liability or Asset to Changes in the Discount Rate			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
<b>PERS 1</b>	<b>\$2,613,684,000</b>	<b>\$1,776,838,000</b>	<b>1,042,904,000</b>
Allocation Percentage	0.122364%	0.122364%	0.122364%
Proportionate Share	<b>\$3,189,207</b>	<b>\$2,174,209</b>	<b>\$1,276,139</b>
<b>SERS 2/3</b>	<b>\$1,399,115,000</b>	<b>(\$33,837,000)</b>	<b>(\$1,213,237,000)</b>
Allocation Percentage	0.700293%	0.700293%	0.700293%
Proportionate Share	<b>\$9,797,901</b>	<b>(\$236,958)</b>	<b>(\$8,496,211)</b>
<b>TRS 1</b>	<b>\$1,717,438,000</b>	<b>\$1,109,297,000</b>	<b>\$574,595,000</b>
Allocation Percentage	0.753813%	0.753813%	0.753813%
Proportionate Share	<b>\$12,946,276</b>	<b>\$8,362,028</b>	<b>\$4,331,374</b>
<b>TRS 2/3</b>	<b>\$468,279,600</b>	<b>\$200,390,000</b>	<b>(\$3,441,878,000)</b>
Allocation Percentage	0.756259%	0.756259%	0.756259%
Proportionate Share	<b>\$35,414,049</b>	<b>\$1,515,467</b>	<b>(\$26,029,500)</b>

**NOTE 5: ANNUAL OTHER POST-EMPLOYMENT BENEFIT COST AND NET OPEB OBLIGATIONS**

The state, through the Health Care Authority (HCA), administers a defined benefit other post-employment benefit (OPEB) plan that is not administered through a qualifying trust. The Public Employees Benefits Board (PEBB), created within the HCA, is authorized to design benefits, and determine the terms and conditions of employee and retired employee participation and coverage, including establishment of eligibility criteria for both active and retired employees. Benefits purchased by PEBB include medical, dental, life insurance and long-term disability insurance.

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

Employers participating in the plan include the state of Washington (which includes general government agencies and higher education institutions), political subdivisions and tribal governments. Additionally,

the PEBB plan is available to the retirees of the K–12 school districts and ESDs. The District’s retirees (approximately 427) are eligible to participate in the PEBB plan under this arrangement.

#### Eligibility

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

Former members who are entitled to a deferred vested pension benefit are not eligible to receive medical and life insurance benefits after pension benefit commencement. Survivors of covered members who die are eligible for medical benefits.

#### Medical Benefits

Upon retirement, members are permitted to receive medical benefits. Retirees pay the following monthly rates for pre-65 medical coverage for 2024.

<b>Members not eligible for Medicare (or enrolled in Part A only)</b>			
<b>Descriptions</b>	<b>Type of Coverage</b>		
	<b>Employee</b>	<b>Employee &amp; Spouse</b>	<b>Full Family</b>
Kaiser Permanente NW Classic	\$ 1,039.18	\$ 2,072.40	\$ 2,847.32
Kaiser Permanente NW CDHP	\$ 907.72	\$ 1,808.12	\$ 2,439.67
Kaiser Permanente WA Classic	\$ 933.56	\$ 1,861.16	\$ 2,556.86
Kaiser Permanente WA Value	\$ 919.37	\$ 1,832.77	\$ 2,517.83
Kaiser Permanente WA Sound Choice	\$ 777.41	\$ 1,548.87	\$ 2,127.45
Kaiser Permanente WA CDHP	\$ 738.98	\$ 1,470.63	\$ 1,975.63
UMP Plus-UW Medicine Accountable Care Network	\$ 816.50	\$ 1,627.04	\$ 2,234.95
UMP CDHP	\$ 747.79	\$ 1,488.26	\$ 1,999.87
UMP Select	\$ 766.61	\$ 1,527.27	\$ 2,097.76

Retirees enrolled in Medicare Parts A and B receive an explicit subsidy in the form of reduced premiums on Medicare supplemental plans. Retirees pay the following monthly rates.

<b>Members enrolled in Part A and B of Medicare</b>			
<b>Descriptions</b>	<b>Type of Coverage</b>		
	<b><u>Employee</u></b>	<b><u>Employee &amp; Spouse<sup>1</sup></u></b>	<b><u>Full Family<sup>1</sup></u></b>
Kaiser Permanente NW Senior Advantage	\$ 193.95	\$ 381.94	\$ 1,156.86
Kaiser Permanente WA Medicare Plan	\$ 188.62	\$ 371.29	N/A
Kaiser Permanente WA Classic	N/A	N/A	\$ 1,066.99
Kaiser Permanente WA Value	N/A	N/A	\$ 1,056.34

Kaiser Permanente WA Sound Choice	N/A	N/A	\$ 949.88
UMP Classic	\$ 532.94	\$ 1,059.92	\$ 1,679.21

Note 1: Employee–Spouse and Full Family with two Medicare eligible subscribers.

#### Funding Policy

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

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

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

For the fiscal year 2023-24, the Moses Lake School District paid \$ 16,687,286 in total to HCA-SEBB.

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

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

#### **NOTE 6: LEASES**

The district is committed under various leases for copiers, postage machines, folding machines, and facility space. The leasing arrangements are as follows: monthly payments for the duration of the lease, terms in excess of 12 months, and options to renew at the end of the leasing period. The District recognized principal and interest payments of \$136,039.20.

As of August 31, 2024, the principal and interest requirements to maturity are as follows:

Year ended August 31	Principal	Interest	Total
2025	\$ 213,238.93	\$ 18,944.78	\$ 232,183.71
2026	\$ 214,162.35	\$ 11,893.03	\$ 226,055.38

Year ended August 31	Principal	Interest	Total
2027	\$ 198,629.65	\$ 4,872.12	\$ 203,501.77
2028	\$ 43,271.08	\$ 414.08	\$ 43,685.16
2029	\$ 3,728.35	\$ 56.45	\$ 3,784.80
Total	\$ 673,030.36	\$ 36,180.46	\$ 709,210.82

Changes in lease liabilities are presented in the accompanying Schedule of Long-Term Liabilities.

**NOTE 7: OTHER SIGNIFICANT COMMITMENTS**

The District has active construction projects as of August 31, 2024:

Project	Project Authorization Amount	Expended as of 8/31/24	Additional Local Funds Committed	Additional State Funds Committed
Groff Elementary	\$26,727,446	\$27,777,725.85		
Vanguard Academy	\$69,000,361	\$63,300,602.10		

**Encumbrances**

Encumbrance accounting is employed in governmental funds. Purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve a portion of the applicable appropriation. Encumbrances lapse at the end of the fiscal year and are not re-encumbered the following year by the District.

**NOTE 8: REQUIRED DISCLOSURES ABOUT CAPITAL ASSETS**

The District's capital assets are insured in the amount of \$458,687,000 for fiscal year 2023-24. In the opinion of the District's insurance consultant, the amount is sufficient to adequately fund replacement of the District's assets.

**NOTE 9: LONG-TERM DEBT**

**Long-Term Debt**

The accompanying Schedule of Long-Term Liabilities provides more details of the outstanding debt and liabilities of the district and summarizes the district's debt transactions for year ended August 31, 2024.

The following is a summary of changes in long-term debt of the District for the fiscal year ended August 31, 2024:

Governmental activities	Balance at Sept. 1, 2023	Increases	Decreases	Balance at Aug. 31, 2024	Due within One Year
General Obligation Bonds	\$ 86,950,000	\$ 0	\$ 4,185,000	\$ 82,765,000	\$ 4,455,000

Long-term debt at August 31, 2024, are comprised of the following individual issues:

Issue Name	Amount Authorized	Annual Installments	Final Maturity	Interest Rate(s)	Amount Outstanding
General Obligation Bonds					
	\$ 6,315,000	Varies	12/1/2028	Varies	\$ 5,170,000
	\$ 18,725,000	Varies	12/1/2026	Varies	\$ 6,930,000
	\$ 44,585,000	Varies	12/1/2036	Varies	\$ 41,020,000
	\$ 32,630,000	Varies	12/1/2038	Varies	\$ 29,645,000
Total	\$102,255,000				\$ 82,765,000

Debt service requirements on long-term debt as of August 31, 2024, are as follows:

Years Ending August 31	Bonds		Total
	Principal	Interest	
2025	\$ 2,685,000	\$ 3,662,475	\$ 6,347,475
2026	\$ 2,970,000	\$ 3,527,125	\$ 6,497,125
2027	\$ 3,275,000	\$ 3,379,700	\$ 6,654,700
2028	\$ 3,595,000	\$ 3,246,975	\$ 6,841,975
2029	\$ 3,875,000	\$ 3,106,275	\$ 6,981,275
2030-2034	\$27,520,000	\$12,041,500	\$ 39,561,500
2035-2039	\$38,845,000	\$ 3,910,800	\$ 42,755,800
Total	\$82,765,000	\$32,874,850	\$115,639,850

At August 31, 2024, the District had \$ 3,143,947.54 available in the Debt Service Fund to service the general obligation bonds.

#### **Bonds Authorized But Unissued**

At August 31, 2024, the District had \$ 46,310,000 of authorized but un-issued bonds outstanding.

#### **NOTE 10: INTERFUND BALANCES AND TRANSFERS**

The following table depicts interfund loan activity:

Debtor Fund	Due To	Balance at 9/1/2023	Loan Activity		Balance at 8/31/2024
			New Loans	Repayments	
General Fund	Capital Projects Fund	\$ 0	\$180,000	\$180,000	\$ 0

#### **NOTE 11: ENTITY RISK MANAGEMENT ACTIVITIES**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

### Property/Liability

The Moses Lake School District is a member of Schools Insurance Association of Washington (SIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program 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 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 program was formed on September 1, 1995, when seven mid-sized school districts in the state of Washington joined together by signing an Interlocal Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. **Membership as of August 31, 2023 includes 37 school districts.**

The program allows members to jointly purchase insurance coverage and provide related services, such as administration, risk management, claims administration, etc. Coverage for Wrongful Acts Liability, Miscellaneous Professional Liability, and Employee Benefit Liability is on a claims-made basis. All other coverages are on an occurrence basis. The program provides the following forms of group purchased insurance coverage for its members: Property, Crime, Earthquake, General Liability, Auto Liability, Equipment Breakdown, Wrongful Acts Liability, and Cyber Liability, which are included to fit the district's various needs.

The program acquires Liability insurance is acquired through their administrator, Clear Risk Solutions, which is subject to a per occurrence **Self-Insured Retention (SIR) of \$500,000**. Members are responsible for a standard deductible of \$5,000 for each claim (member deductibles may vary), while the program is responsible for the \$500,000 SIR. Insurance carriers cover insured losses over \$505,000 to the limits of each policy. Since the program is a cooperative program, there is a joint liability among the participating members towards the sharing of the **\$500,000 SIR**. The program also purchases a Stop Loss Policy with an **attachment point of \$11,923,678**, which is fully funded in its annual budget.

Property insurance is subject to a per occurrence **SIR of \$500,000**. Members are responsible for a \$10,000 deductible for each claim (member deductibles may vary), while the program is responsible for the **\$500,000 SIR**. Insurance carriers cover insured losses over **\$510,000** to the limits of each policy. Equipment Breakdown insurance is subject to a per occurrence deductible of \$10,000. Members are responsible for the deductible amount of each claim.

Privacy, Security, and Technology (Cyber) insurance is subject to a per occurrence **SIR of \$250,000**. Members are responsible for a \$25,000 deductible for each claim, while the program is responsible for the remaining **\$225,000 SIR**.

Members contract to remain in the program for one year and must give notice before December 31 to terminate participation the following September 1. Renewal of the Interlocal Agreement occurs automatically each year. Even after termination, a member

is still responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The program is fully funded by its member participants. Claims are filed by members with Clear Risk Solutions, which has been contracted to perform program administration, claims adjustment and administration, and loss prevention for the program. Fees paid to the third-party administrator under this arrangement for the year ending **August 31, 2024, were \$4,199,515.**

A board of directors, consisting of eight members, is selected by the membership from the east and west side of the state and is responsible for conducting the business affairs of the program. The board of directors has contracted with Clear Risk Solutions to perform day-to-day administration of the program. This program has no employees.

#### Worker's Compensation and Unemployment

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 self-insuring to the same extent that they may individually self-insure. Separate agreements to form a workers; compensation pool and unemployment pool were made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The North Central Washington Workers; Compensation Pool was formed on January 1, 1984, when school districts and North Central Educational Service District (NCESD) in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses. The North Central Unemployment Compensation Risk-Sharing Insurance Pool was created September 1, 2015, when school districts and NCESD in the State of Washington joined together by signing an Agreement to pool their self-insured losses. Twenty-nine school districts and NCESD have joined the workers compensation pool while twenty-six school districts and NCESD have joined the unemployment pool.

These pools are operated for the Moses Lake School District's benefit in lieu of the district having to make monthly premium payments to the State of Washington for industrial insurance and unemployment. Membership automatically renews each year. Even after termination, members are still responsible for contributions for unresolved claims occurring during a period when the district was a member of the pools.

The pools are governed by a board of directors which is comprised of one designated representative from each participating member. An executive committee is elected for conducting the business affairs of each pool. Each member's contributions to the pools are determined by an annual actuarial study. In fiscal year ending August 31, 2024, Moses Lake School District made payments totaling \$1,080,198.79 to the workers' compensation pool and \$193,345.76 to the unemployment insurance pool.

#### Compensated Absences and Unemployment

Prior to August 31, 2024, the District had been a member of the North Central Compensated Absences Liability Pool with NCESD. Changes in GASB reporting requirements caused a significant diminishment to the value of the pool for its members. As such, the decision was



made to stop receiving contributions and dissolve the pool. As of August 31, 2024, \$607,428.47 in remaining funds are being held at NCESD on behalf of the District in relation to this pool.

**NOTE 12: ACCOUNTING CHANGES AND ERROR CORRECTIONS**

At the end of the 2023-24 school year, the district did a thorough analysis of the balance sheet totals. Adjustments were made to General Fund, Capital Projects Fund and Debt Service Fund to ensure that the balance sheet categories reflected the appropriate totals.

In General Fund, the net prior period corrections made totaled \$215,931.22 and consisted of the following:

GL A 241 – Warrants Outstanding were overstated by \$135,635.53  
 GL A 340 – Accounts Receivable was overstated by \$12,500.00  
 GL A 330 – Due from Governmental Units, Revenue Accruals from 2022-2023 were understated by \$0.61  
 GL L 601 – Accounts Payable was overstated by \$349,156.53  
 GL L 605 – Accrued Payroll was overstated by \$16,775.01  
 GL L 610 – Payroll Payables was understated by \$2,864.18

$$-134,635.53 - 12,500.00 - 0.61 + 349,156.53 + 16,775.01 - 2,864.18 = 215,931.22$$

In Capital Projects Fund, the net prior period corrections made was \$117,918.62 and consisted of the following:

GL A 241 – Warrants Outstanding were overstated by \$117,918.62

In Debt Service, it was discovered that the county had failed to record \$652,600.00 in the December 2022 bond payment. A correction to the December 2022 Treasurer's Statement was made in April 2024. The correction was a reduction in cash and consisted of the following:

GL A 240 – Cash With County Treasurer was overstated by \$652,600

		8/31/2023 As Previously reported	Error correction	8/31/2023 As restated/ adjusted
General Fund				
	GL 241	\$10,793,903.66	\$(134,635.53)	\$10,658,268.13
	GL 340	12,500.00	(12,500.00)	0.00
	GL 330	9,249,868.79	(0.61)	9,249,869.40
	GL 601	(1,435,089.48)	349,156.53	(1,085,932.95)
	GL 605	(27,740.25)	16,775.01	(10,965.24)
	GL 610	(193.45)	(2,864.18)	(3,057.63)

Total General Fund:		215,932.44	
Capital Projects Fund			
	GL 241	176,029.52	(117,918.62) 58,110.90
Debt Service Fund			
	GL 240	8,507,133.28	(652,600.00) 7,854,533.28
Total Governmental Funds		(\$554,586.18)	

**NOTE 13: PROPERTY TAXES**

Property tax revenues are collected as the result of special levies passed by the voters in the District. Taxes are levied on January 1. The taxpayer has the obligation of paying all taxes on April 30 or one-half then and one-half on October 31. Typically, slightly more than half of the collections are made on the April 30 date. The tax collections occurring after the end of the fiscal period are unavailable for revenue accrual. Therefore, the fall portion of property taxes is not accrued as revenue. Instead, the property taxes due after the end of the fiscal period are recorded as a deferred inflow of resources.

**NOTE 14: JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS**

Beginning in 2013-14, operation of a cooperative program to service the district's buses and those of neighboring districts are included in these financial statements. For the current fiscal year, these General Fund cooperative revenues totaled \$75,109.52. Expenditures related to the cooperative totaled \$75,109.52.

The District is a member of the King County Director's Association (KCDA). KCDA is a purchasing cooperative designed to pool the member districts' purchasing power. The board authorized joining the association by passing a resolution and has remained in the joint venture ever since. The District's current equity of \$75,286.08 is the accumulation of the annual assignment of KCDA's operating surplus based upon the percentage derived from KCDA's total sales to the District compared to all other districts applied against paid administrative fees. The District may withdraw from the joint venture and will receive its equity in ten annual allocations of merchandise or 15 annual payments.

**NOTE 15: FUND BALANCE CLASSIFICATION DETAILS**

The District's financial statements include the following amounts presented in the aggregate.

	General Fund	ASB Fund	Capital Projects Fund	Debt Service Fund	Transportation Vehicle Fund
Nonspendable Fund Balance					
Inventory and Prepaid Items	\$259,738	\$8,370			
Restricted Fund Balance					
For Other Items					
For Fund Purpose		\$952,285			\$666,976

	General Fund	ASB Fund	Capital Projects Fund	Debt Service Fund	Transportation Vehicle Fund
For Carryover of Restricted Revenues					
For Transition to Kindergarten					
For Skill Centers					
For Carryover of Food Service Revenue					
For Debt Service				\$3,143,947	
For Arbitrage Rebate					
For Self-Insurance					
For Uninsured Risks					
Restricted from Bond Proceeds					
Restricted from State Proceeds					
Restricted from Federal Proceeds					
Restricted from Other Proceeds					
Restricted from Mitigation Fee Proceeds					
Restricted from Undistributed Proceeds					
Committed Fund Balance					
Committed from Levy Proceeds					
For Economic Stabilization					
For Facility Depreciation Sub-Fund					
Other Commitments					
Assigned Fund Balance					
Contingencies					
Other Capital Projects					
Other Purposes	\$639,130				
Fund Purposes			\$8,740,434		
Unassigned Fund Balance	\$10,864,331				

The Board of Directors has established a minimum fund balance policy for the general fund to provide for financial stability and contingencies within the District. The policy is that the District shall maintain a target goal of 12.5% of the prior year's General Fund expenditures to address potential District needs. Portions of fund balance that are set aside for the purpose of meeting this policy are recorded on the financial statements as a part of unassigned fund balance.

**NOTE 16: DEFINED CONTRIBUTION PENSION AND OPEB PLANS**

**457 Plan – Deferred Compensation Plan**

(District employees have the option of participating in a deferred compensation plan as defined in §457 of the Internal Revenue Code that is administered by the state deferred compensation plan, or the District. The District does not make employer contributions to the plan.)

**403(b) Plan – Tax Sheltered Annuity (TSA)**

The District offers a tax deferred annuity plan for its employees. The plan permits participants to defer a portion of their salary until future years under two types of deferrals: elective deferrals (employee contribution) and non-elective contribution (employer matching) at {contribution rate in dollars or as a percentage of salary}. The employer contribution rate is set by {authority under which rates are established, such as the District’s governing body or a union contract}.

The District complies with IRS regulations that require school districts to have a written plan to include participating investment companies, types of investments, loans, transfers, and various requirements. The plan is administered by {a third party administrator/the District}. Plan assets are assets of the District employees, not the school district, and are therefore not reflected on the financial statements.

**Voluntary Employees’ Benefits Association (VEBA)**

VEBA Trust is a non-profit, multiple employee voluntary employees’ beneficiary association authorized under Internal Revenue Code 501(c)(g). The Trust is managed by a board of trustees appointed by the Association of Washington School Principals, Washington Association of School Administrators, and Washington Association of School Business Officials. The Trust provides health reimbursement plan for employees and eligible dependents. The plan can be used to reimburse employees for qualified health expenses during employment and after retirement. The terms of the collective bargaining arrangements specify the district’s employer contribution rate of \$350.00 per active MLEA member and \$300.00 per active classified exempt employee in July of each year. Plan assets are assets of the District employees, not the school district, and are therefore not reflected on the financial statements. For the year ended August 31, 2024 the District made \$210,300 in employer contributions to the plan.)

#### **NOTE 17: TERMINATION BENEFITS**

##### **Compensated Absences**

Employees earn sick leave at a rate of twelve days per year up to a maximum of one contract year.

Under the provisions of RCW 28A.400.210, sick leave accumulated by District employees is reimbursed at death or retirement at the rate of one day for each four days of accrued leave, limited to 180 accrued days. This chapter also provides for an annual buyout of an amount up to the maximum annual accumulation of 12 days. For buyout purposes, employees may accumulate such leave to a maximum of 192 days, including the annual accumulation, as of December 31 of each year.

These expenditures are recorded when paid, except termination sick leave that is accrued upon death, retirement, or upon termination provided the employee is at least 55 years of age and has sufficient years of service. Vested sick leave was computed using the {termination payment method/vesting method.

No unrecorded liability exists for other employee benefits.

#### **NOTE 18: OTHER DISCLOSURES**

##### **Skill Center Core Campus Note**

The District is the host district for the Columbia Basin Technical 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 Columbia Basin Technical Skill Center was created through an agreement of the nine 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 handled 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.

##### **Capital Improvements**

The District collects an annual fee from all participating districts for the Capital Projects Maintenance Fund. These funds are used to for the maintenance and related capital improvements of Skill Center facilities. Fees are collected from each member district in accordance with the interlocal agreement signed by all member districts. Any amounts collected that have not been expended for capital purposes are recorded as a restriction of the District's Capital Projects Fund balance.

#### **Unspent Funds**

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

The following districts are member districts of the Skill Center: Othello, Warden, Quincy, Soap Lake, Ephrata, Wahluke, Royal, Moses Lake, and Wilson Creek.

Moses Lake School District No. 161  
Schedule of Long-Term Liabilities  
For the Year Ended August 31, 2024

Description	Beginning Outstanding Debt September 1, 2023	Amount Issued / Increased	Amount Redeemed / Decreased	Ending Outstanding Debt August 31, 2024	Amount Due Within One Year
<b>Voted Debt</b>					
Voted Bonds	86,950,000.00	0.00	4,185,000.00	82,765,000.00	4,455,000.00
LOCAL Program Proceeds Issued in Lieu of Bonds	0.00	0.00	0.00	0.00	0.00
<b>Non-Voted Debt and Liabilities</b>					
Non-Voted Bonds	0.00	0.00	0.00	0.00	0.00
LOCAL Program Proceeds	0.00	0.00	0.00	0.00	0.00
Leases	264,046.82	585,830.46	176,377.01	673,500.27	213,238.93
Contracts Payable	0.00	0.00	0.00	0.00	0.00
Claims & Judgements	0.00	0.00	0.00	0.00	0.00
Compensated Absences	3,522,883.58	524,607.62	739,012.70	3,308,478.50	681,204.00
Long-Term Notes	0.00	0.00	0.00	0.00	0.00
Anticipation Notes Payable	0.00	0.00	0.00	0.00	0.00
Lines of Credit	0.00	0.00	0.00	0.00	0.00
Other Non-Voted Debt	0.00	0.00	0.00	0.00	0.00
<b>Other Liabilities</b>					
<b>Non-Voted Notes Not Recorded as Debt</b>	0.00	0.00	0.00	0.00	0.00
Net Pension Liabilities:					
Net Pension Liabilities TRS 1	9,344,860.02	0.00	982,832.00	8,362,028.02	
Net Pension Liabilities TRS 2/3	0.00	1,515,466.69	0.00	1,515,466.69	
Net Pension Liabilities SERS 2/3	0.00	0.00	0.00	0.00	
Net Pension Liabilities PERS 1	2,746,509.32	0.00	572,300.00	2,174,209.32	
<b>Total Long-Term Liabilities</b>	<b>102,828,299.74</b>	<b>2,625,904.77</b>	<b>6,655,521.71</b>	<b>98,798,682.80</b>	<b>5,349,442.93</b>

Other postemployment benefits other than pensions (OPEB) liabilities are not presented in the Schedule of Long Term Liabilities.

**Moses Lake School District No. 161**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended August 31, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
<b>Child Nutrition Cluster</b>								
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via OSPI)	School Breakfast Program	10.553	N/A	883,479	-	883,479	-	
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via OSPI)	National School Lunch Program	10.555	6198	3,320,365	-	3,320,365	-	
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via OSPI)	National School Lunch Program	10.555	Commodities	382,515	-	382,515	-	3
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via OSPI)	National School Lunch Program	10.555	6198-11	258,119	-	258,119	-	
			<b>Total ALN 10.555:</b>	<b>3,960,999</b>	-	<b>3,960,999</b>	-	
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via OSPI)	Summer Food Service Program for Children	10.559	N/A	20,700	-	20,700	-	
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via OSPI)	Fresh Fruit and Vegetable Program	10.582	N/A	148,865	-	148,865	-	
			<b>Total Child Nutrition Cluster:</b>	<b>5,014,043</b>	-	<b>5,014,043</b>	-	
DEPT OF DEFENSE, DEPT OF DEFENSE (via OSPI)	Competitive Grants: Promoting K-12 Student Achievement at Military- Connected Schools	12.556	N/A	65,666	-	65,666	-	

*The accompanying notes are an integral part of this schedule.*



**Moses Lake School District No. 161**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended August 31, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
BUREAU OF LAND MANAGEMENT, INTERIOR, DEPARTMENT OF THE (via OSPI)	Rangeland Resource Management	15.237	N/A	48	-	48	-	
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, EDUCATION, DEPARTMENT OF (via OSPI)	Title I Grants to Local Educational Agencies	84.010	GT-01814	3,154,349	-	3,154,349	-	2,4
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, EDUCATION, DEPARTMENT OF (via OSPI)	Title I Grants to Local Educational Agencies	84.010	GT-01234	32,089	-	32,089	-	2
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, EDUCATION, DEPARTMENT OF (via OSPI)	Title I Grants to Local Educational Agencies	84.010	GT-0155	31,977	-	31,977	-	2
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, EDUCATION, DEPARTMENT OF (via OSPI)	Title I Grants to Local Educational Agencies	84.010	GT-01475	26,335	-	26,335	-	2
<b>Total ALN 84.010:</b>				<b>3,244,750</b>	<b>-</b>	<b>3,244,750</b>	<b>-</b>	
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, EDUCATION, DEPARTMENT OF (via OSPI)	Migrant Education State Grant Program	84.011	GT-01814	187,319	-	187,319	-	2
<b>Special Education Cluster (IDEA)</b>								

*The accompanying notes are an integral part of this schedule.*

**Moses Lake School District No. 161**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended August 31, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, EDUCATION, DEPARTMENT OF (via OSPI)	Special Education Grants to States	84.027	GT-00852	1,772,788	-	1,772,788	-	2
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, EDUCATION, DEPARTMENT OF (via OSPI)	Special Education Preschool Grants	84.173	GT-00852	59,743	-	59,743	-	2
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, EDUCATION, DEPARTMENT OF (via OSPI)	Special Education Preschool Grants	84.173	GT-01196	10,000	-	10,000	-	2
<b>Total ALN 84.173:</b>				<b>69,743</b>	<b>-</b>	<b>69,743</b>	<b>-</b>	
<b>Total Special Education Cluster (IDEA):</b>				<b>1,842,531</b>	<b>-</b>	<b>1,842,531</b>	<b>-</b>	
Office of Career, Technical, and Adult Education, EDUCATION, DEPARTMENT OF (via OSPI)	Career and Technical Education -- Basic Grants to States	84.048	GT-01399	83,279	-	83,279	-	2
Office of Career, Technical, and Adult Education, EDUCATION, DEPARTMENT OF (via OSPI)	Career and Technical Education -- Basic Grants to States	84.048	GT-FP100- 00005	20,000	-	20,000	-	2
Office of Career, Technical, and Adult Education, EDUCATION, DEPARTMENT OF (via OSPI)	Career and Technical Education -- Basic Grants to States	84.048	GT-01864	46,229	-	46,229	-	2
<b>Total ALN 84.048:</b>				<b>149,508</b>	<b>-</b>	<b>149,508</b>	<b>-</b>	

The accompanying notes are an integral part of this schedule.

**Moses Lake School District No. 161**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended August 31, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, EDUCATION, DEPARTMENT OF (via OSPI)	English Language Acquisition State Grants	84.365	GT-01814	151,711	-	151,711	-	2
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, EDUCATION, DEPARTMENT OF (via OSPI)	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	84.367 - GT-- 01814	284,359	-	284,359	-	2
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, EDUCATION, DEPARTMENT OF (via OSPI)	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	GT-FP264- 00013	50,000	-	50,000	-	2
<b>Total ALN 84.367:</b>				<b>334,359</b>	<b>-</b>	<b>334,359</b>	<b>-</b>	
EDUCATION, DEPARTMENT OF, EDUCATION, DEPARTMENT OF (via OSPI)	Student Support and Academic Enrichment Program	84.424	GT-01814	79,663	-	79,663	-	2
EDUCATION, DEPARTMENT OF, EDUCATION, DEPARTMENT OF (via OSPI)	COVID 19 - Education Stabilization Fund	84.425	84.425V - 6109	114,781	-	114,781	-	2
EDUCATION, DEPARTMENT OF, EDUCATION, DEPARTMENT OF (via OSPI)	COVID 19 - Education Stabilization Fund	84.425	84.425U - 138288	9,786,916	-	9,786,916	-	2
EDUCATION, DEPARTMENT OF, EDUCATION, DEPARTMENT OF (via OSPI)	COVID 19 - Education Stabilization Fund	84.425	84.425U - 142142	192,985	-	192,985	-	2

*The accompanying notes are an integral part of this schedule.*

**Moses Lake School District No. 161**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended August 31, 2024**

Federal Agency (Pass-Through Agency)	Expenditures						Passed through to Subrecipients	Note
	Federal Program	ALN Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total		
EDUCATION, DEPARTMENT OF, EDUCATION, DEPARTMENT OF (via OSPI)	COVID 19 - Education Stabilization Fund	84,425	84,425U - 145312	110,000	-	110,000	-	2
EDUCATION, DEPARTMENT OF, EDUCATION, DEPARTMENT OF (via OSPI)	COVID 19 - Education Stabilization Fund	84,425	84,425W - 459563	57,390	-	57,390	-	2
EDUCATION, DEPARTMENT OF, EDUCATION, DEPARTMENT OF (via OSPI)	COVID 19 - Education Stabilization Fund	84,425	84,425U - 145823	10,000	-	10,000	-	2
EDUCATION, DEPARTMENT OF, EDUCATION, DEPARTMENT OF (via OSPI)	COVID 19 - Education Stabilization Fund	84,425	619815	191,184	-	191,184	-	
<b>Total ALN 84.425:</b>				<b>10,463,256</b>	<b>-</b>	<b>10,463,256</b>	<b>-</b>	
<b>Total Federal Awards Expended:</b>				<b>21,532,854</b>	<b>-</b>	<b>21,532,854</b>	<b>-</b>	

The accompanying notes are an integral part of this schedule.

**MOSES LAKE SCHOOL DISTRICT #161**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**September 1, 2023 through August 31, 2024**

**NOTE 1 – BASIS OF ACCOUNTING**

This Schedule is prepared on the same basis of accounting as the Moses Lake School District's financial statements. The District uses the modified accrual basis of accounting. Expenditures represent only the federally funded portion of the program. District records should be consulted to determine amounts expended or matched from non-federal sources.

**NOTE 2 – FEDERAL DE MINIMIS INDIRECT RATE**

The Moses Lake School District used the federal restricted rate of 4.54%. The District used either the federal restricted rate of 11.39% for ESSER II/III grants, 16.77% for 2023-24 ESSER III Grants, the federal unrestricted rate of 15.32% for ESSER II/III grants, 16.15% for 2023-24 ESSER III grants, a rate that was a smaller percentage than the federal restricted/unrestricted rate but did not exceed the maximum allowed for the category or chose to not take indirect rates on the grant. The District has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 3 – NONCASH AWARDS**

The amount of commodities reported on the schedule is the value of commodities distributed by the Moses Lake School District during the current year and priced as prescribed by OSPI.

**NOTE 4 – SCHOOLWIDE PROGRAMS**

The District operates a "school-wide program" in ten elementary buildings and one middle school. Using federal funding, schoolwide programs are designed to upgrade an entire educational program within a school for all students, rather than limit services to certain targeted students. The following federal program amounts were expended by the Moses Lake School District in its school-wide programs: Title I (84.010) - \$2,945,386.64.



## CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED UNDER UNIFORM GUIDANCE

### Moses Lake School District No. 161 September 1, 2023 through August 31, 2024

This schedule presents the corrective action planned by the District for findings reported in this report in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

<b>Finding ref number:</b> 2024-001	<b>Finding caption:</b> The District did not have adequate internal controls and did not comply with time-and-effort requirements.
<b>Name, address, and telephone of District contact person:</b> Ruby Perez 1620 S. Pioneer Way Moses Lake, WA 98837 (509) 766-2650	
<b>Corrective action the auditee plans to take in response to the finding:</b> <i>The District acknowledges the finding and has implemented new procedures to ensure strong internal controls over time-and-effort documentation. This issue primarily occurred during a period of staff turnover. The District has since hired experienced personnel who are now overseeing federal program compliance. We have implemented a compliant time-and-effort tracking system consistent with OSPI and federal requirements. Documentation—whether semiannual certifications or monthly reports, as applicable—is collected, reviewed, and retained in accordance with the type of funding allocation. All documentation is reviewed by both the Business Office and program administrators to ensure accuracy. Monthly monitoring and required training for relevant staff are now embedded into our internal processes. The district is committed to ensuring accuracy and accountability in all federally funded programs.</i>	
<b>Anticipated date to complete the corrective action:</b> August 31, 2025	

<b>Finding ref number:</b> 2024-002	<b>Finding caption:</b> The District did not have adequate internal controls and did not comply with time-and-effort and private school requirements.
<b>Name, address, and telephone of District contact person:</b> Ruby Perez 1620 S. Pioneer Way Moses Lake, WA 98837 (509) 766-2650	
<b>Corrective action the auditee plans to take in response to the finding:</b> <i>The District concurs with the finding. In response, the District has established a regularly updated list of private schools within our boundaries. We will be proactively reaching out to these schools each year to determine interest and eligibility for Title I services, and are documenting all correspondence. In addition, we have strengthened time-and-effort documentation procedures as described in 2024-001. Our new internal controls include multi-layered reviews and program director oversight to ensure timely, complete compliance. The District is committed to equity in services and transparency in all federal programming.</i>	
<b>Anticipated date to complete the corrective action:</b> August 31, 2025	

<b>Finding ref number:</b> 2024-003	<b>Finding caption:</b> The District did not have adequate internal controls for ensuring compliance with time-and-effort requirements.
<b>Name, address, and telephone of District contact person:</b> Ruby Perez 1620 S. Pioneer Way Moses Lake, WA 98837 (509) 766-2650	
<b>Corrective action the auditee plans to take in response to the finding:</b> <i>The District acknowledges this finding and has taken steps to address all time-and-effort documentation issues. New procedures are now in place, including formal time-and-effort tracking using the appropriate method—semiannual or monthly—based on program guidelines and funding structure. The District has also implemented a policy that requires all journal entries to include supporting documentation. Each journal entry is reviewed and approved by multiple staff, including Business Office staff and program directors, before posting. These safeguards will ensure accountability, prevent future exceptions, and maintain public trust.</i>	
<b>Anticipated date to complete the corrective action:</b> August 31, 2025	



## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, [www.sao.wa.gov](http://www.sao.wa.gov). Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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