



Spokane International Academy

Monthly Board Meeting

May

Published on May 24, 2026 at 9:18 PM PDT
Amended on May 27, 2026 at 11:09 AM PDT

Date and Time

Wednesday May 27, 2026 at 4:30 PM PDT

Location

Spokane International Academy, Media Center
777 E Magnesium Rd. Spokane, WA 99208

Agenda

	Purpose	Presenter	Time
I. Opening Items			4:30 PM
A. Record Attendance		Cassie Anderson	3 m
B. Call the Meeting to Order		Cassie Anderson	1 m
II. Consent Agenda			4:34 PM

The purpose of the Consent Agenda is to act upon routine matters in an expeditious manner. Items placed on the Consent Agenda as determined by the Chair, in cooperation with the HOS, are those that are considered common to the operation of the Board and

	Purpose	Presenter	Time
<p>normally require no special board discussion or debate. A board member may request that any item on the Consent Agenda be removed and inserted at an appropriate place on the regular agenda. Items on the Consent Agenda for this meeting include:</p> <ul style="list-style-type: none"> • Approval of minutes from a previous meeting • Approval of monthly financial statements • Acknowledgement of monthly enrollment reports, if any • Approval of updated school policies and/or procedures, if any 			
A.	Approve April Meeting Minutes	Approve Minutes	Cassie Anderson
B.	April Financials		
	A. AP Review		
	B. Payroll Review		
	C. Cash Flow and Budget Status		
	D. Audit		
	E. Miscellaneous/Enrollment Update		
	F. Approval of the 24/25 Financial Statements		
C.	Approve Consent Agenda	Vote	Cassie Anderson 3 m
III.	ASB Monthly Report		4:37 PM
A.	ASB Report to Board	Discuss	ASB Representative 5 m
	https://docs.google.com/document/d/16Xr9K-GSrs9Ok-kMQODhCeFD8V20nBCLjUZtQ1Je3m4/edit?usp=sharing		
IV.	Public Comment		
V.	Enrollment 26-27		4:42 PM
A.	Enrollment Update	Discuss	Morgen Flowers-Washington/Russ Battiata 5 m
VI.	MAP Data		4:47 PM

	Purpose	Presenter	Time
A. Growth Update	Discuss	Caryn McGee	12 m
VII. Head of School Update			4:59 PM
https://docs.google.com/document/d/1kTwbBeQd0lhTHJp_9z6ryabQOgHYCvZEHYDcN9fYgug/edit?usp=sharing			
A. Academic Performance Framework	Discuss	Morgen Flowers-Washington	7 m
VIII. Budget 26-27			5:06 PM
A. Current Budgeting Realities	Discuss	Sam Schweda	5 m
1. Grants Opportunities			
2. Reductions in Positions and Spending			
B. Certified Staff Resignations	Discuss	Sam Schweda	5 m
1. Arica Tremblay			
2. Christopher Wolf			
3. Matt Bean			
C. Staff Compensations 26-27	Discuss	Sam Schweda	5 m
IX. Governance			5:21 PM
A. Head of School Evaluation Process	Discuss	Cassie Anderson	10 m
B. Board Retreat Dates	Discuss	Cassie Anderson	5 m
C. Board Recruitment	Discuss	Cassie Anderson	5 m
X. Other Business			
XI. Executive Session			

A governing body subject to the OPMA is allowed to go into executive sessions *only* for the reasons listed in [RCW 42.30.110](#).

Purpose Presenter Time

XII. Closing Items

A. Adjourn Meeting Vote

Coversheet

Approve April Meeting Minutes

Section: II. Consent Agenda
Item: A. Approve April Meeting Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for April Board Meeting (Virtual) on April 30, 2026



Spokane International Academy

Minutes

April Board Meeting (Virtual)

Rescheduled April 22nd Meeting

Date and Time

Thursday April 30, 2026 at 7:30 AM

Location

Join Zoom Meeting

<https://us06web.zoom.us/j/86373525000?pwd=fjV57eCbjOL2yX43M8k45mgPUKPnLK.1>

Meeting ID: 863 7352 5000

Passcode: 598005

Directors Present

Ashlee Lent (remote), Charina Carothers (remote), Guillermo Espinosa (remote), Javier Medina (remote), John Pell (remote), Ron Poplawski (remote)

Directors Absent

Cassie Anderson, David James, Maureen Rosette

Guests Present

Kirsten, Morgen Flowers-Washington (remote), Myra Keast (remote), Sam Schweda (remote)

I. Opening Items

A. Record Attendance

B.

Call the Meeting to Order

Ron Poplawski called a meeting of the board of directors of Spokane International Academy to order on Thursday Apr 30, 2026 at 7:52 AM.

II. Consent Agenda

A. Approve March Meeting Minutes

Javier Medina made a motion to approve the minutes from Monthly Board Meeting on 03-25-26.

Guillermo Espinosa seconded the motion.

The board **VOTED** unanimously to approve the motion.

B. Approve Minutes from 3/30/26 Special Board Meeting

Javier Medina made a motion to approve the minutes from Special Board Meeting on 03-30-26.

Guillermo Espinosa seconded the motion.

The board **VOTED** unanimously to approve the motion.

C. March Financials

D. Approve April 22, 2026 Minutes

Javier Medina made a motion to approve the minutes from Monthly Board Meeting on 04-22-26.

Guillermo Espinosa seconded the motion.

The board **VOTED** unanimously to approve the motion.

E. Approve Consent Agenda

Motion to approve Consent Agenda items A-D - Javier Medina

Guillermo Espinosa seconded the motion.

The board VOTED unanimously to approve the motion.

III. ASB Monthly Report

A. ASB Report to Board

There was no ASB representative present at today's meeting. The Board did not have any questions on the ASB monthly report which was shared in advance.

IV. Community Advisory Team (C.A.T.)

A. C.A.T. Report

There was no C.A.T. representative present at today's meeting.

V. Enrollment 26-27

A. Enrollment Update

The enrollment process was completed. The lottery process took place on the week of April 13th and offers were extended to families via email or text messages. Families have ten (10) days to respond. The enrollment window re-open on May 18th and will be on a rolling basis through the next school year.

The number of application for Kindergarten is lower than the previous year. SIA will advertise openings in social media, local publications, and promote at upcoming community events.

VI. Staffing 26-27

A. Staffing Updates

The administration is working with ABL to help refine and reduce redundancy, and to help with scheduling. They have advised making adjustments in staffing and/or roles.

Actions:

- Reduction in Math, Science, and Spanish in High School
- Morgen has met with individual staff members affected.
- Staff consideration forms were done in February (non-binding); two staff members responded as not returning next school year.
- Reasonable letters will go out to the staff in May (binding)

VII. Head of School Report

A. HOS Update April 2026

There were no questions and discussion.

VIII. Budget 26-27

A. Budget and Actions

This coming year, our priorities are:

- academic achievement
- sustainable staffing
- ensuring every program we fund has a clear impact on students

Revenue and Risk:

- Loss of enrichment funding
 - This loss of revenue will represent a roughly 10% overall reduction in revenue
- Loss of LAP High Poverty funding
 - This revenue was only available to SIA for the 25/26 school year and allowed for backfilling of other State grants that were cut in the 2025 legislative session
- Enrollment
 - Enrollment is the primary driver of our State apportionment and enrollment continues to increase which will help mitigate the loss of enrichment funding
 - SIA is budgeting in increased enrollment of 12.39 FTE for the 26/27 school year

Enrollment:

- Increasing budget; adding one section of Kindergarten

Staffing:

- Limiting new hires

Budget Development:

- Transportation - Currently in negotiations with Harlows for option of extension of 3-year agreement

Timeline:

- Working on staffing calendar, aligning and building the draft budget
- Anticipates draft ready for board review in May
- Budget review in June (will plan on a finance committee meeting in early June)
- Budget adoption in July

IX. Audit

A. Update on Audit (Results)

We are currently waiting for the audit results; however, there is indication of a full, clean audit with no exit items and findings.

X. Board Business

A. Compliance Requirements

No discussion.

Myra Keast provided a list to Cassie Anderson.

B. Teacher Appreciation Week

The Board has graciously offered to sponsor lunch for the staff on Friday, May 8th. Myra Keast is working with Cassie Anderson regarding price quote received from Red Robin.

C. Board Leadership and Recruitment

Morgen encourages to Board to help recruit new members. Charter School Growth Fund is also assisting SIA with recruitment.

XI. Governance

A. Head of School Evaluation Process (Next Steps)

Typically, the **Head of School (HOS) Evaluation process** is conducted before the end of the school year and completed by June. As part of this process, the Board will share feedback gathered from both Board members and the leadership team with Morgen.

XII. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:29 AM.

Respectfully Submitted,

Ron Poplawski

Ashlee Lent made a motion to adjourn.

Javier Medina seconded the motion.

The board **VOTED** unanimously to approve the motion.

Coversheet

April Financials

Section: II. Consent Agenda
Item: B. April Financials
Purpose:
Submitted by:
Related Material: Additional_notes_for_AP_Payroll-April.xlsx
Apr_mid_AP_2026.pdf
Apr_EOM_AP_2026_ASB.pdf
Apr_EOM_AP_2026.pdf
Wire_register_04.26.pdf
Apr_Payroll_2026.pdf
April_Budget_Status_Report.pdf
CF25.26 (6).xlsx
CF24.25 (8).xlsx
SIA_Draft_Financial_5-19-26.pdf
Average_Enrollment_25.26.pdf
SIA Draft Financial 5-19-26.pdf

Notice

The following file is attached to this PDF. You will need to open this packet in an application that supports attachments to pdf files, e.g. [Adobe Reader](#):

Additional_notes_for_AP_Payroll-April.xlsx

The following vouchers, as audited and certified by the Auditing Officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, are approved for payment. Those payments have been recorded on this listing which has been made available to the board.

As of May 27, 2026, the board, by a _____ vote, approves payments, totaling \$13,783.54. The payments are further identified in this document.

Total by Payment Type for Cash Account, COLUMBIA BANK - PUBLIC:
Warrant Numbers 20752 through 20766, totaling \$13,783.54

Secretary _____ Board Member _____
Board Member _____ Board Member _____
Board Member _____ Board Member _____

Check Nbr	Vendor Name	Check Date	Check Amount
20752	AMAZON CAPITAL SERVICES	04/15/2026	1,317.42
20753	CITY OF SPOKANE	04/15/2026	1,653.75
20754	COMCAST BUSINESS	04/15/2026	390.44
20755	COPELAND, TABATHA	04/15/2026	297.00
20756	DE LAGE LANDEN FINANCIAL SERVI	04/15/2026	1,217.33
20757	DIDAX INCORPORATED	04/15/2026	343.12
20758	EAGLES OPERATIONS LLC	04/15/2026	627.50
20759	EXPRESS SERVICE, INC.	04/15/2026	1,583.56
20760	LEAF CAPITAL FUNDING, LLC.	04/15/2026	54.91
20761	LIVE LIFTED LLC	04/15/2026	349.00
20762	MOON SECURITY SERVICE INC	04/15/2026	179.35
20763	NEWPORT HS-TRACK & FIELD	04/15/2026	200.00
20764	PACIFIC INTERPRETERS	04/15/2026	73.80
20765	TK ELEVATOR CORPORATION	04/15/2026	5,321.36
20766	VALLEY CHRISTIAN HS-TRACK LEAG	04/15/2026	175.00

15 Computer Check(s) For a Total of 13,783.54

	0	Manual	Checks For a Total of	0.00
	0	Wire Transfer	Checks For a Total of	0.00
	0	ACH	Checks For a Total of	0.00
	15	Computer	Checks For a Total of	13,783.54
Total For	15	Manual, Wire Tran, ACH & Computer	Checks	13,783.54
Less	0	Voided	Checks For a Total of	0.00
			Net Amount	13,783.54

The following vouchers, as audited and certified by the Auditing Officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, are approved for payment. Those payments have been recorded on this listing which has been made available to the board.

As of May 27, 2026, the board, by a _____ vote, approves payments, totaling \$879.99. The payments are further identified in this document.

Total by Payment Type for Cash Account, COLUMBIA BANK - PUBLIC:
Warrant Numbers 20779 through 20781, totaling \$879.99

Secretary _____	Board Member _____
Board Member _____	Board Member _____
Board Member _____	Board Member _____

Check Nbr	Vendor Name	Check Date	Check Amount
20779	AMAZON CAPITAL SERVICES	04/30/2026	65.45
20780	COPELAND, TABATHA	04/30/2026	296.24
20781	KRAUS, ELISABETH	04/30/2026	518.30
3	Computer	Check(s) For a Total of	879.99

	0	Manual	Checks For a Total of	0.00
	0	Wire Transfer	Checks For a Total of	0.00
	0	ACH	Checks For a Total of	0.00
	3	Computer	Checks For a Total of	879.99
Total For	3	Manual, Wire Tran, ACH & Computer	Checks	879.99
Less	0	Voided	Checks For a Total of	0.00
			Net Amount	879.99

The following vouchers, as audited and certified by the Auditing Officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, are approved for payment. Those payments have been recorded on this listing which has been made available to the board.

As of May 27, 2026, the board, by a _____ vote, approves payments, totaling \$299,702.51. The payments are further identified in this document.

Total by Payment Type for Cash Account, COLUMBIA BANK - PUBLIC: Warrant Numbers 20782 through 20825, totaling \$299,702.51

Secretary _____ Board Member _____
Board Member _____ Board Member _____
Board Member _____ Board Member _____

Check Nbr	Vendor Name	Check Date	Check Amount
20782	AMAZON CAPITAL SERVICES	04/30/2026	6,405.18
20783	ATS INLAND NW, LLC	04/30/2026	5,428.82
20784	AUTO-CHLOR SYSTEM	04/30/2026	383.21
20785	Avista	04/30/2026	13,718.01
20786	BASSETT, EMILY	04/30/2026	100.27
20787	BERENS-TATE CONSULTING GROUP,	04/30/2026	3,750.00
20788	BRAUN, RODNEY	04/30/2026	3,412.50
20789	CENTURYLINK	04/30/2026	275.79
20790	CHARLIE'S PRODUCE	04/30/2026	4,640.85
20791	COMMUNITY COLLEGES OF SPOKANE	04/30/2026	45,774.60
20792	CONTINUUM OFFICE ENVIRONMENTS,	04/30/2026	1,946.04
20793	DEPT OF RETIREMENT SYSTEMS	04/30/2026	29.64
20794	EDNETICS NETWORK	04/30/2026	5,492.21
20795	EDWARDS, BRENT L	04/30/2026	3,300.00
20796	EIDE BAILLY LLP	04/30/2026	8,400.00
20797	EMBROIDERED SPORTSWEAR, INC	04/30/2026	471.16
20798	EXPRESS SERVICE, INC.	04/30/2026	817.71
20799	FATBEAM LLC	04/30/2026	556.00
20800	FIKES NORTHWEST	04/30/2026	2,276.04
20801	GOJOE PATROL INC	04/30/2026	1,158.64
20802	GOLD STAR FOODS OF IDAHO, INC	04/30/2026	15,913.32
20803	GREAT MINDS PBC	04/30/2026	387.64
20804	GREENSCAPE	04/30/2026	5,002.89
20805	HARLOW'S SCHOOL BUS SERVICE IN	04/30/2026	85,138.81
20806	HOFFMAN MUSIC	04/30/2026	291.30
20807	INLAND NORTHWEST THERAPY, LLC	04/30/2026	36,788.20
20808	KUTAK ROCK LLP	04/30/2026	1,595.00
20809	MONREAL, VICTORIA	04/30/2026	96.82
20810	NATURE BRIDGE	04/30/2026	8,299.10
20811	OLSON AUDIOLOGY SERVICES, PLLC	04/30/2026	708.75
20812	OSPI CHILD NUTRITION SERVICES	04/30/2026	3,206.46
20813	PETERSON, NICOLE	04/30/2026	22.08
20814	PRO MECHANICAL SERVICES, INC	04/30/2026	16,289.21

Check Nbr	Vendor Name	Check Date	Check Amount
20815	ROYAL BUSINESS SYSTEMS, INC	04/30/2026	4,806.81
20816	SCHWEDA, SAMUEL	04/30/2026	44.00
20817	STAPLES ADVANTAGE	04/30/2026	2,024.70
20818	STATE AUDITOR'S OFFICE	04/30/2026	6,024.97
20819	SWANSON'S REFRIGERATION AND RE	04/30/2026	272.75
20820	TIMBERLAKE HIGH SCHOOL	04/30/2026	125.00
20821	TK ELEVATOR CORPORATION	04/30/2026	109.10
20822	VALLEY CHRISTIAN HS-TRACK LEAG	04/30/2026	100.00
20823	VALLEY GLASS	04/30/2026	3,949.42
20824	WSIPC	04/30/2026	94.56
20825	ZOOM VIDEO COMMUNICATIONS INC.	04/30/2026	74.95
44	Computer	Check(s) For a Total of	299,702.51

	0	Manual	Checks For a Total of	0.00
	0	Wire Transfer	Checks For a Total of	0.00
	0	ACH	Checks For a Total of	0.00
	44	Computer	Checks For a Total of	299,702.51
Total For	44	Manual, Wire Tran, ACH & Computer	Checks	299,702.51
Less	0	Voided	Checks For a Total of	0.00
			Net Amount	299,702.51

The following vouchers, as audited and certified by the Auditing Officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, are approved for payment. Those payments have been recorded on this listing which has been made available to the board. As of May 27, 2026 the board, by a _____ vote, approves payments, totaling \$110,900.05. The payments are further identified in this document. Total by Payment Type for Private/Public Account, Columbia BANK: Wire/ACH payments totaling \$110,900.05.

Secretary _____ Board Member _____

Board Member _____ Board Member _____

Board Member _____ Board Member _____

Type	Vendor Name		Date	Amount
ACH	Umpqua Credit Card	March Statement	4/15/2026	\$ 6,550.05
ACH	SIA-Magnesium (WSHFC)		4/17/2026	\$ 8,875.00
ACH	SIA-Magnesium		4/24/2026	\$ 95,475.00

3 ACH/Wire For a Total of \$ 110,900.05

Payments have been audited and certified by the Auditing Officer as required by RCW 42.24.080, and those payments were recorded on a listing which has been made available to the board. RCW 42.24.090. Those payments have been recorded on a listing which has been made available to the board.

As of May 27, 2026, the board, by a _____ vote, does approve for payment those checks (warrants) included in the following list and further described as follows: COLUMBIA BANK - COLUMBIA BANK - PUBLIC Check Number 20767 through 20770 and for payment those Direct Deposits included in the following list and further described as follows: COLUMBIA BANK - COLUMBIA BANK - PUBLIC Direct Deposit Number 900008784 through 900008902 in the total amount of \$881,117.59.

Secretary _____ Board Member _____
 Board Member _____ Board Member _____
 Board Member _____ Board Member _____

4pacpv04.p SPOKANE INTERNATIONAL ACADEMY 2:06 PM 04/22/26
 05.26.02.00.00-010051 PAY SUMMARY FOR PR / Payroll - AFTER CALCS PAGE: 1
 CHECK DATE: 04/30/2026 PERIOD ENDING DATE: 04/30/2026
 HR\PA\CP\PE - 748 - Board

<u>PAY</u>	<u>DESCRIPTION</u>	<u>COUNT</u>	<u>FACTOR</u>	<u>HOURS</u>	<u>GROSS</u>	<u>RETIRE HOURS</u>
BENE5	BENES - NO PAY	1	1.0000			
CAP23	ASSOCIATE PR	2	1.0000		10,093.32	136.00
CAPR3	ASSOCIATE PR	3	2.0000		11,095.23	136.00
CASP3	ADMIN OFFICE	1	1.0000		4,587.90	136.00
CCF3	COMM OUTREACH	1	1.0000		4,325.40	136.00
CCFO3	CHIEF FIN OFF	1	1.0000		11,777.09	136.00
CCOU3	COUNSELOR	5	3.0000		17,325.00	408.00
CCUS4	FACILITIES	5	5.0000		17,696.94	680.00
CDOP3	DIR OF OPS	6	2.0000		13,708.34	272.00
CDSS3	DIR OF SPECIAL	7	3.0000		28,177.39	340.00
CIA3	INST AIDE	86	27.0000		65,038.62	3240.00
CINT3	INT COACH	4	4.0000		23,315.99	544.00
CKIT4	KITCHEN MGR	1	1.0000		3,126.04	136.00
CKTA4	KITCHEN ASSIST	4	4.0000		8,998.68	544.00
CLGY5	LONGEVITY	32	31.0000		9,128.34	24.01
CMGB3	BUS GENERALIST	1	1.0000		-46.47	
CMGF3	MANAGER FINANCE	1	1.0000		5,049.80	136.00
CMH23	HR SPECIALIST	1	1.0000		3,675.66	136.00
CNUR3	NURSE	3	1.0000		5,202.12	136.00
COF23	OFFICE ASSIST	4	1.0000		2,440.02	136.00
COFF3	OFFICE ASSIST	13	4.0000		9,807.85	408.01
CSA5	ATHLETICS 1	4	2.0000		833.34	28.30
CSP25	SUPPLEMENTAL	4	3.0000		750.01	13.70
CSP35	SUPPLEMENTAL	2	1.0000		214.29	1.50
CSUP3	SUPERINTENDENT	4	1.0000		15,416.67	136.00
CTC13	TEACHER	138	56.0000		326,904.47	7544.00
CTC23	TEACHER	2	1.0000		4,329.98	136.00
CTSU3	BLDG SUB	6	2.0000		5,529.49	272.00
LWOP3	LWOP	16		-75.0000	-2,004.26	-75.11
SUP15	SUPPLEMENTAL	11	16.0000		1,375.00	11.00
SUP23	SUPPLEMENTAL	1	1.0000		300.00	
SUP25	SUPPLEMENTAL	11	38.7500		1,800.00	38.80
SUP33	SUPPLEMENTAL	1	1.0000		550.00	

CHECK DATE: 04/30/2026 PERIOD ENDING DATE: 04/30/2026

HR\PA\CP\PE - 748 - Board

<u>PAY</u>	<u>DESCRIPTION</u>	<u>COUNT</u>	<u>FACTOR</u>	<u>HOURS</u>	<u>GROSS</u>	<u>RETIRE HOURS</u>
SUP35	SUPPLEMENTAL	4	6.7500		715.00	4.80
SUP45	SUPPLEMENTAL	3	3.0000		750.00	
SUP55	SUPPLEMENTAL	2	13.5000		1,000.00	12.50
TIA23	INSTAIDE-S2	1		12.5000	750.00	12.50
TIA3	INST AIDE	22		-153.0000	-3,375.28	-153.00
TIAS3	INST AIDE-S	9		97.2500	6,025.00	96.40
TKII4	KITCHEN ASST	1		66.0000	1,317.36	66.00
TOFF3	OFFICE ASST	4		-66.0000	-1,317.37	-66.01
TSU23	SUBSTITUTE	9		153.0000	3,414.96	153.00
TSUB3	SUBSTITUTE	8		132.0000	2,640.00	132.00
	REPORT TOTAL	445	242.0000	166.7500	622,441.92	16184.40

CHECK DATE: 04/30/2026 PERIOD ENDING DATE: 04/30/2026

HR\PA\CP\PE - 748 - Board

<u>CODE</u>	<u>DESCRIPTION</u>	<u>CATEGORY</u>	<u>COUNT</u>	<u>AMOUNT</u>
1FIC	FICA	FICA	444	37,699.31
1FIT	FED INC TAX	FEDERAL TAX	444	39,203.62
1FIT+	FIT ADD AMT	FEDERAL TAX	70	6,139.00
1MED	MEDICARE	MEDICARE	444	8,816.76
1PFML	WA PAID FML	PFML	444	5,024.37
1ReE0	SERS PLAN 0	RETIREMENT	1	
1ReE2	SERS PLAN 2	RETIREMENT	169	8,243.87
1ReE3	SERS PLAN 3	RETIREMENT	40	2,870.85
1ReT0	TRS PLAN 0	RETIREMENT	30	
1ReT2	TRS 2	RETIREMENT	151	16,294.48
1ReT3	TRS PLAN 3	RETIREMENT	108	15,292.34
1WC	WORKERS' COMP	WORKERS' COMP	444	2,669.47
1WLTC	WA LTC	LONG-TERM CARE	434	3,507.60
DCP	DCP DRS	TSA-BEFORE TAX	4	3,666.61
DCP R	DCP ROTH	TSA-AFTER TAX	6	1,288.00
DCS-P	CHILD SUPPORT		5	1,268.00
HCFSA	Medical FSA	OTH BEF TAX	3	283.33
HEHSA	Health Eqty-HSA	OTH BEF TAX	5	766.00
KP1ER	Kai WA Smt1 EMP	OTH BEF TAX	5	135.00
KP2ER	Kai WA Smt2 EMP	OTH BEF TAX	11	695.00
KP2FR	Kai WA Smt2 FAM	OTH BEF TAX	4	829.00
KP2SR	Kai WA Smt2 E/S	OTH BEF TAX	2	268.00
KW1CR	Kai WA Core1E/C	OTH BEF TAX	1	42.00
KW1ER	Kai WA Core1EMP	OTH BEF TAX	18	144.00
KW1FR	Kai WA Core1FAM	OTH BEF TAX	4	144.00
KW1SR	Kai WA Core1E/S	OTH BEF TAX	3	48.00
KW2CR	Kai WA Core2E/C	OTH BEF TAX	5	232.00
KW2ER	Kai WA Core2EMP	OTH BEF TAX	2	66.00
KW2SR	Kai WA Core2E/S	OTH BEF TAX	2	132.00
KWSCR	Kai WA SndChE/C	OTH BEF TAX	1	228.00
KWSER	Kai WA SndChEMP	OTH BEF TAX	16	650.00
KWSFR	Kai WA SndChFAM	OTH BEF TAX	9	1,220.00
LTD50	Emp Pd LTD 50%		41	124.60
LTD60	Emp Pd LTD 60%		133	824.56
LTDBU	Supp LTD		2	
PHCR	Prem Hgh PPOE/C	OTH BEF TAX	4	550.00
PHER	Prem Hgh PPOEMP	OTH BEF TAX	5	314.00
PHFR	Prem Hgh PPOFAM	OTH BEF TAX	8	942.00
PHSR	Prem Hgh PPOE/S	OTH BEF TAX	2	314.00
PMER	Prem HMCrEPOEMP	OTH BEF TAX	17	105.00
PMFR	Prem HMCrEPOFAM	OTH BEF TAX	1	63.00
PMSR	Prem HMCrEPOE/S	OTH BEF TAX	4	84.00
PSCR	Prem Std PPOE/C	OTH BEF TAX	4	378.00
PSER	Prem Std PPOEMP	OTH BEF TAX	28	1,188.00
PSFR	Prem Std PPOFAM	OTH BEF TAX	5	972.00
PSSR	Prem Std PPOE/S	OTH BEF TAX	4	216.00
VACR	UMP Achieve2E/C	OTH BEF TAX	3	236.00
VAER	UMP Achieve2EMP	OTH BEF TAX	10	675.00
VAFR	UMP Achieve2FAM	OTH BEF TAX	2	405.00
VASR	UMP Achieve2E/S	OTH BEF TAX	1	270.00
VHSAC	UMP CDHP E/C	OTH BEF TAX	2	61.00
VHSAF	UMP CDHP FAM	OTH BEF TAX	3	105.00
VHSAS	UMP CDHP E/S	OTH BEF TAX	2	70.00

CHECK DATE: 04/30/2026 PERIOD ENDING DATE: 04/30/2026

HR\PA\CP\PE - 748 - Board

<u>CODE</u>	<u>DESCRIPTION</u>	<u>CATEGORY</u>	<u>COUNT</u>	<u>AMOUNT</u>
VUCR	UMP Achieve1E/C	OTH BEF TAX	9	328.00
VUER	UMP Achieve1EMP	OTH BEF TAX	30	805.00
VUFR	UMP Achieve1FAM	OTH BEF TAX	7	332.00
VUSR	UMP Achieve1E/S	OTH BEF TAX	2	94.00
			3658	167,322.77

CHECK DATE: 04/30/2026 PERIOD ENDING DATE: 04/30/2026

HR\PA\CP\PE - 748 - Board

<u>CODE</u>	<u>DESCRIPTION</u>	<u>CATEGORY</u>	<u>COUNT</u>	<u>AMOUNT</u>
1FIC	FICA	FICA	444	37,699.31
1MED	MEDICARE	MEDICARE	444	8,816.76
1PFML	WA PAID FML	PFML	444	2,009.24
1ReE0	SERS PLAN 0	RETIREMENT	1	
1ReE2	SERS PLAN 2	RETIREMENT	170	8,483.95
1ReE3	SERS PLAN 3	RETIREMENT	40	2,580.51
1ReT0	TRS PLAN 0	RETIREMENT	40	
1ReT2	TRS PLAN 2	RETIREMENT	153	16,726.69
1ReT3	TRS PLAN 3	RETIREMENT	108	17,650.48
1UC	UNEMPLOYMENT	UNEMPLOY COMP	444	2,489.76
1WC	WORKERS' COMP	WORKERS' COMP	444	6,388.72
SEBB	SEBB		295	155,674.00
VHSS1	UMP CDHP EE HSA		7	156.25
			3034	258,675.67

***** End of report *****

10--GENERAL FUND-- FUND BALANCE -- AGENCY ACCOUNTS -- Revised -- BUDGET-STATUS-REPORT
Fiscal Year 2025 (September 1, 2025 - August 31, 2026)

For the SPOKANE INTERNATIONAL ACADEMY School District for the Month of April, 2026

	ANNUAL BUDGET	ACTUAL FOR MONTH	ACTUAL FOR YEAR	ENCUMBRANCES	BALANCE	PERCENT
A. REVENUES/OTHER FIN. SOURCES						
1000 LOCAL TAXES	0	.00	.00		.00	0.00
2000 LOCAL SUPPORT NONTAX	229,500	11,263.95	110,452.54		119,047.46	48.13
3000 STATE, GENERAL PURPOSE	10,822,475	1,524,337.56	7,856,974.61		2,965,500.39	72.60
4000 STATE, SPECIAL PURPOSE	2,701,511	291,631.37	2,066,512.49		634,998.51	76.49
5000 FEDERAL, GENERAL PURPOSE	0	.00	.00		.00	0.00
6000 FEDERAL, SPECIAL PURPOSE	1,154,623	42,485.08	544,610.21		610,012.79	47.17
7000 REVENUES FR OTH SCH DIST	0	.00	.00		.00	0.00
8000 OTHER AGENCIES AND ASSOCIATES	400,000	.00	650.00		399,350.00	0.16
9000 OTHER FINANCING SOURCES	0	.00	.00		.00	0.00
<u>Total REVENUES/OTHER FIN. SOURCES</u>	15,308,109	1,869,717.96	10,579,199.85		4,728,909.15	69.11
B. EXPENDITURES						
00 Regular Instruction	7,294,596	669,515.13	5,147,619.91	2,524,444.84	377,468.75-	105.17
10 Federal Stimulus	0	.00	.00	0.00	.00	0.00
20 Special Ed Instruction	1,668,937	138,899.13	1,050,768.64	401,793.13	216,375.23	87.04
30 Voc. Ed Instruction	0	.00	.00	0.00	.00	0.00
40 Skills Center Instruction	0	.00	.00	0.00	.00	0.00
50+60 Compensatory Ed Instruct.	865,332	59,428.76	363,651.53	157,556.45	344,124.02	60.23
70 Other Instructional Pgms	45,151	3,905.94	32,640.11	17,141.28	4,630.39-	110.26
80 Community Services	0	6,010.39	27,038.95	24,164.59	51,203.54-	0.00
90 Support Services	5,263,836	349,466.66	3,360,815.46	931,720.42	971,300.12	81.55
<u>Total EXPENDITURES</u>	15,137,852	1,227,226.01	9,982,534.60	4,056,820.71	1,098,496.69	92.74
C. <u>OTHER FIN. USES TRANS. OUT (GL 536)</u>	0	.00	.00			
D. <u>OTHER FINANCING USES (GL 535)</u>	0	.00	.00			
E. <u>UNUSUAL/INFREQUENT-INFLows (GL 968)</u>	0	.00	.00		.00	0.00
F. <u>UNUSUAL/INFREQUENT-OUTFLows (GL 538)</u>	0	.00	.00		.00	0.00
G. <u>NET CHANGE IN FUND BALANCE</u>	170,257	642,491.95	596,665.25		426,408.25	250.45
<u>(A-B-C-D+E-F)</u>						
H. <u>TOTAL BEGINNING FUND BALANCE</u>	3,750,000		4,913,733.42			
I. <u>G/L 896, 897, 898 ACCOUNTING</u>	XXXXXXXXX		.00			
<u>CHANGES AND ERROR CORRECTIONS (+OR-)</u>						
J. <u>TOTAL ENDING FUND BALANCE</u>	3,920,257		5,510,398.67			
<u>(G+H + OR - I)</u>						

17--PRIVATE FUND-- FUND BALANCE -- AGENCY ACCOUNTS -- Revised -- BUDGET-STATUS-REPORT
Fiscal Year 2025 (September 1, 2025 - August 31, 2026)

For the SPOKANE INTERNATIONAL ACADEMY School District for the Month of April, 2026

	ANNUAL	ACTUAL	ACTUAL			
	BUDGET	FOR MONTH	FOR YEAR	ENCUMBRANCES	BALANCE	PERCENT
A. REVENUES/OTHER FIN. SOURCES						
1000 LOCAL TAXES	0	.00	.00		.00	0.00
2000 LOCAL SUPPORT NONTAX	15,000	.00	6,828.59		8,171.41	45.52
3000 STATE, GENERAL PURPOSE	0	.00	.00		.00	0.00
4000 STATE, SPECIAL PURPOSE	0	.00	.00		.00	0.00
5000 FEDERAL, GENERAL PURPOSE	0	.00	.00		.00	0.00
6000 FEDERAL, SPECIAL PURPOSE	0	.00	.00		.00	0.00
7000 REVENUES FR OTH SCH DIST	0	.00	.00		.00	0.00
8000 OTHER AGENCIES AND ASSOCIATES	0	.00	.00		.00	0.00
9000 OTHER FINANCING SOURCES	0	.00	.00		.00	0.00
<u>Total REVENUES/OTHER FIN. SOURCES</u>	15,000	.00	6,828.59		8,171.41	45.52
B. EXPENDITURES						
00 Regular Instruction	0	184.90	2,809.29	0.00	2,809.29-	0.00
10 Federal Stimulus	0	.00	.00	0.00	.00	0.00
20 Special Ed Instruction	0	.00	.00	0.00	.00	0.00
30 Voc. Ed Instruction	0	.00	.00	0.00	.00	0.00
40 Skills Center Instruction	0	.00	.00	0.00	.00	0.00
50+60 Compensatory Ed Instruct.	0	.00	.00	0.00	.00	0.00
70 Other Instructional Pgms	0	.00	.00	0.00	.00	0.00
80 Community Services	0	.00	82.58	0.00	82.58-	0.00
90 Support Services	15,000	233.00	2,195.91	0.00	12,804.09	14.64
<u>Total EXPENDITURES</u>	15,000	417.90	5,087.78	0.00	9,912.22	33.92
C. <u>OTHER FIN. USES TRANS. OUT (GL 536)</u>	0	.00	.00			
D. <u>OTHER FINANCING USES (GL 535)</u>	0	.00	.00			
E. <u>UNUSUAL/INFREQUENT-INFLOWS (GL 968)</u>	0	.00	.00		.00	0.00
F. <u>UNUSUAL/INFREQUENT-OUTFLOWS (GL 538)</u>	0	.00	.00		.00	0.00
G. <u>NET CHANGE IN FUND BALANCE</u>	0	417.90-	1,740.81		1,740.81	0.00
<u>(A-B-C-D+E-F)</u>						
H. <u>TOTAL BEGINNING FUND BALANCE</u>	350,000		.00			
I. <u>G/L 896, 897, 898 ACCOUNTING</u>	XXXXXXXXX		.00			
<u>CHANGES AND ERROR CORRECTIONS (+OR-)</u>						
J. <u>TOTAL ENDING FUND BALANCE</u>	350,000		1,740.81			
<u>(G+H + OR - I)</u>						

40--ASB FUND-- FUND BALANCE -- AGENCY ACCOUNTS -- Revised -- BUDGET-STATUS-REPORT
Fiscal Year 2025 (September 1, 2025 - August 31, 2026)

For the SPOKANE INTERNATIONAL ACADEMY School District for the Month of April, 2026

	ANNUAL BUDGET	ACTUAL FOR MONTH	ACTUAL FOR YEAR	ENCUMBRANCES	BALANCE	PERCENT
A. REVENUES						
1000 General Student Body	29,000	2,658.00	8,023.38		20,976.62	27.67
2000 Athletics	0	.00	.00		.00	0.00
3000 Classes	0	.00	.00		.00	0.00
4000 Clubs	39,200	9,057.00	21,993.00		17,207.00	56.10
6000 Private Moneys	0	.00	434.00		434.00-	0.00
<u>Total REVENUES</u>	68,200	11,715.00	30,450.38		37,749.62	44.65
B. EXPENDITURES						
1000 General Student Body	23,650	435.65	5,466.65	3,036.00	15,147.35	35.95
2000 Athletics	0	.00	.00	0.00	.00	0.00
3000 Classes	0	.00	.00	0.00	.00	0.00
4000 Clubs	39,200	444.34	8,599.48	2,446.61	28,153.91	28.18
6000 Private Moneys	0	.00	434.00	0.00	434.00-	0.00
<u>Total EXPENDITURES</u>	62,850	879.99	14,500.13	5,482.61	42,867.26	31.79
C. EXCESS OF REVENUES						
<u>OVER (UNDER) EXPENDITURES (A-B)</u>	5,350	10,835.01	15,950.25		10,600.25	198.14
D. UNUSUAL/INFREQUENT-INFLOWS (GL 968)						
	0	.00	.00		.00	0.00
E. UNUSUAL/INFREQUENT-OUTFLOWS (GL 538)						
	0	.00	.00		.00	0.00
F. NET CHANGE IN FUND BALANCE						
<u>(C+D-E)</u>	5,350	10,835.01	15,950.25		10,600.25	198.14
G. TOTAL BEGINNING FUND BALANCE						
	1,000		16,096.42			
H. G/L 896, 897, 898 ACCOUNTING						
<u>CHANGES AND ERROR CORRECTIONS (+OR-)</u>	XXXXXXXXX		.00			
I. TOTAL ENDING FUND BALANCE						
<u>(F+G + OR - H)</u>	6,350		32,046.67			
J. ENDING FUND BALANCE ACCOUNTS:						
G/L 810 Restricted for Other Items	0		.00			
G/L 819 Restricted for Fund Purposes	0		.00			
G/L 840 Nonspnd FB - Invent/Prepd Itms	0		.00			
G/L 850 Restricted for Uninsured Risks	0		.00			
G/L 870 Committed to Other Purposes	0		.00			
G/L 889 Assigned to Fund Purposes	6,350		32,046.67			
G/L 890 Unassigned Fund Balance	0		.00			
<u>TOTAL</u>	6,350		32,046.67			

Notice

The following file is attached to this PDF. You will need to open this packet in an application that supports attachments to pdf files, e.g. [Adobe Reader](#):

CF25.26 (6).xlsx

Notice

The following file is attached to this PDF. You will need to open this packet in an application that supports attachments to pdf files, e.g. [Adobe Reader](#):

CF24.25 (8).xlsx

Financial Statements
August 31, 2025

Spokane International Academy

DRAFT

Spokane International Academy

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Independent Auditor's Report

To the Board of Directors
Spokane International Academy
Spokane, Washington

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Spokane International Academy as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise Spokane International Academy's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Spokane International Academy as of August 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government 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 Spokane International Academy, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 12 to the financial statements, Spokane International Academy has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended August 31, 2025. Accordingly, a restatement has been made to the governmental activities net position as of September 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- 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 Spokane International Academy'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 Spokane International Academy's ability to continue as a going concern for a reasonable period of time.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, the Schedule of Employer’s Share of Net Pension Liability/(Asset), the Schedule of Employer’s Contributions, and the Notes to Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquires of management about the methods or preparing the information and comparing the information for consistency with management’s responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Spokane International Academy’s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated DATE, on our consideration of Spokane International Academy’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 solely 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 Spokane International Academy’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Spokane International Academy’s internal control over financial reporting and compliance.

Spokane, Washington

DATE

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Overview

The following Management Discussion and Analysis (MD&A) is required supplemental information under the Governmental Accounting Standards Board (GASB) reporting model. Spokane International Academy's (the School) MD&A presents an overview of its financial condition and results of operations for the fiscal years ended August 31, 2025. The MD&A's purpose is to aid readers in understanding the accompanying financial statements through analysis of the School's financial activities based on currently known facts and conditions. This MD&A should be read in conjunction with the accompanying financial statements and footnote disclosures.

Financial Highlights

In fiscal year 2025, net change in fund balances in governmental funds was approximately (\$271,000) compared to \$657,000 in fiscal year 2024. Unassigned fund balance as of August 31, 2025 was approximately \$4,877,000 compared to \$5,091,000 as of August 31, 2024.

Management believes the future outlook is bright as the School continues to fill up all available student slots and continues to maintain strong revenues year over year. The School continues to invest in infrastructure to benefit future years with building improvements. The School now operates a K-12th grade school at its primary location. Management believes that with steady growth, Spokane International Academy will continue to empower its students with the academic skills, habits of mind, and global competence necessary to become leaders who can powerfully transform our communities, all while maintaining fiscal responsibility.

Government-Wide Financial Analysis

Government-wide financial statements provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents all of the School's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as Net Position. Changes in net position over time serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The Statement of Activities shows how the School's net position changed during the current year. These statements are prepared using the accrual basis of accounting, similar to the method used by private-sector businesses. Accrual accounting considers all of the year's revenues and expenses, regardless of when the cash is received or paid.

Change in Net Position tells the reader whether the financial position of the School has improved or diminished. However, in evaluating the overall position of the School, nonfinancial information (such as changes in the School's student count) will also need to be considered.

Spokane International Academy
Management Discussion and Analysis
August 31, 2025

Change in Accounting Principle

Effective September 1, 2024, the School adopted provisions of GASB Statement No. 101 *Compensated Absences*. As a result of this change in accounting principle, it was not appropriate for the School to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended August 31, 2024 was not restated. See Note 12 to the financial statements for further information on the change in accounting principle.

Statement of Net Position

The following is a summary of the statements of net position as of August 31, 2025 and 2024:

	2025	2024	Change
Current Assets	\$ 6,449,179	\$ 6,883,371	\$ (434,192)
Capital and Right-of-Use Assets, Net	19,336,592	20,119,960	(783,368)
Net Pension Asset	270,868	14,055	256,813
Total Assets	26,056,639	27,017,386	(960,747)
Deferred Outflows of Resources	1,751,753	1,639,273	112,480
Current Liabilities	704,554	730,689	(26,135)
Long-Term Liabilities	18,807,855	19,003,737	(195,882)
Net Pension Liability	619,993	833,795	(213,802)
Total Liabilities	20,132,402	20,568,221	(435,819)
Deferred Inflows of Resources	597,858	504,557	93,301
Net Position			
Net investment in capital assets	173,087	697,121	(524,034)
Restricted	1,657,948	1,439,300	218,648
Unrestricted	5,247,097	5,447,460	(200,363)
Total Net Position	\$ 7,078,132	\$ 7,583,881	\$ (505,749)

Assets include the School's cash, accounts receivable, prepaid expenses, capital and right-of-use assets, and net pension asset. Total assets decreased approximately \$961,000 primarily due to a decrease in capital assets due to depreciation, as well as a decrease in cash and cash equivalents, which were primarily used for debt service. Management expects assets to increase moving forward as the School continues to focus on strong operations.

Liabilities include payroll and related liabilities, amounts payable to vendors for goods and services, advanced revenues that have not yet met the eligibility requirement, lease obligations, long-term debt, accrued interest, and net pension liability. Total liabilities decreased approximately \$436,000 from prior year, driven primarily by a decrease in long-term debt being paid down as well as a decrease in net pension liability.

Spokane International Academy
Management Discussion and Analysis
August 31, 2025

Deferred outflow and inflow of resources relates to pension obligations, which were the result of changes in contributions activity and updates in assumptions.

Total net position decreased as a result of operations and the construction activities as discussed in the statement of activities and above.

Statement of Activities

The following is a summary of the statements of activities for the years ended August 31, 2025 and 2024:

	2025	2024	Change
Revenues			
Operating grants and contributions	\$ 4,365,069	\$ 3,784,908	\$ 580,161
State apportionment	9,318,744	9,721,402	(402,658)
Other	138,455	31,228	107,227
Total revenues	13,822,268	13,537,538	284,730
Expenditures			
Instruction	9,330,295	8,448,506	881,789
Support services	4,040,009	3,832,166	207,843
Interest	780,091	858,445	(78,354)
Total expenditures	14,150,395	13,139,117	1,011,278
Change in Net Position	\$ (328,127)	\$ 398,421	\$ (726,548)

Revenues include operating grants and contributions, state revenues, and other revenues. Operating grants consist of grants from various private organizations, federal, and state special funding sources. Overall, these grants increased approximately \$580,000 from prior year. Revenue from general state apportionment decreased approximately \$403,000 from 2024.

Expenditures are separated into instructions and support services. Instruction relates to the primary teaching mission of the School, while support services include administrative and other operating costs. Instruction expenditures increased approximately \$882,000, support services increased approximately \$208,000, and interest decreased approximately \$78,000 from 2024. These changes were expected as the School continues to grow and strengthen its instruction and support structures.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities. Like other governments, the School uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Spokane International Academy
Management Discussion and Analysis
August 31, 2025

All the funds of the School are considered governmental funds. Governmental funds account for essentially the same functions reported as Governmental Activities on the government-wide financial statements. Most of the School's basic services are reported in these funds, with the focus on how money flows into and out of the funds and what year-end balances remain available for spending.

These funds are reported on the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund statements provide a detailed short-term view of the School's general government operations and the basic services being provided, along with the financial resources available.

The focus of Governmental funds is narrower than that of the Government-wide financial statements, so it is useful to compare the two. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances facilitate this comparison between governmental funds and governmental activities.

Fund balance in the governmental funds as of August 31, 2025, was approximately \$6,301,000 compared to \$7,078,000 in Governmental Activities. This difference is primarily due to capital assets, right-of-use assets, and related debt, as well as pension liability and related deferred inflow and outflows, which are not included in modified accrual accounting.

Changes in fund balances for the year ended August 31, 2025, was approximately \$(271,000) compared to (\$328,000) in Governmental Activities. This difference is primarily due to the pension activity, capital assets, right-of-use assets, and long-term debt activity.

Capital and Right-of-Use Assets

	2025	2024	Change
Land	\$ 1,100,000	\$ 1,100,000	\$ -
Building	10,200,000	10,200,000	-
Building Improvements	11,603,691	11,457,475	146,216
Computers and Equipment	358,908	270,759	88,149
Right-of-Use Assets	155,462	167,552	(12,090)
	<u>23,418,061</u>	<u>23,195,786</u>	<u>222,275</u>
Less Accumulated Depreciation and Amortization	<u>(4,081,469)</u>	<u>(3,075,826)</u>	<u>(1,005,643)</u>
	<u><u>\$ 19,336,592</u></u>	<u><u>\$ 20,119,960</u></u>	<u><u>\$ (783,368)</u></u>

As of August 31, 2025 and 2024, the School had approximately \$19,337,000 and \$20,120,000, respectively, invested in capital and right-of-use assets, including buildings, improvements, computer equipment, construction in progress, and right-of-use assets. More detailed information about the School's capital and right-of-use assets is presented in Note 4 and 5 to the financial statements.

Long-Term Liabilities

Total long-term liabilities, including current portion, consisting of lease obligations, long-term debt, and accrued interest as of August 31, 2025 amounted to approximately \$19,164,000 compared to \$19,423,000 as of August 31, 2024. Additional information on the School's long-term liabilities can be found in Note 6 and 7 of this report.

Compensated absences obligations as of August 31, 2025 and 2024, was approximately \$201,000 and \$0, respectively. More detailed information about the School's compensated absences is presented in Note 11 and 12 to the financial statements.

Budgetary Highlights

The Board of Directors adopts the annual operating budget for the School effective September 1st, consistent with the upcoming school year. The total budgeted revenue for 2025 was approximately \$14,216,000, of which \$14,119,000 was state and federal sources. Final total revenues were approximately \$13,822,000, with state and federal sources being approximately \$1,358,000 under budget, and other sources being approximately \$965,000 over budget.

Instructional expenditures were approximately \$69,000 under budget and support services were approximately \$133,000 over budget.

Economic Outlook

The School continues to focus on student and overall growth as it continues to expand overall operations and make significant facilities improvements.

School management believes the School is well positioned to grow into a strong financial position and to continue to provide excellent service to its students. Management will continue to maintain a close watch over resources and expenses to ensure that the School's finances are sustainable for future growth.

Spokane International Academy

Statement of Net Position

August 31, 2025

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 4,953,216
Restricted cash and cash equivalents	1,387,080
Accounts receivable	72,579
Prepaid expenses and other assets	36,304
Capital assets, net	19,254,012
Right-of-use assets, net	82,580
Net pension asset	<u>270,868</u>
Total assets	<u>26,056,639</u>
Deferred Outflows of Resources	
Relating to pensions	<u>1,751,753</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 27,808,392</u></u>
Liabilities	
Accounts payable	\$ 136,773
Accrued expenses	11,591
Accrued interest	138,450
Long-term debt, due within one year	285,000
Lease obligations, due within one year	44,033
Compensated absences, due within one year	88,707
Long-term debt	18,653,830
Lease obligations	42,192
Compensated absences	111,833
Net pension liability	<u>619,993</u>
Total liabilities	<u>20,132,402</u>
Deferred Inflows of Resources	
Relating to pensions	<u>597,858</u>
Net Position	
Net investment in capital assets	173,087
Restricted for debt service	1,387,080
Restricted for net pension asset	270,868
Unrestricted	<u>5,247,097</u>
Total net position	<u>7,078,132</u>
Total Liabilities, Deferred Inflow of Resources, and Net Position	<u><u>\$ 27,808,392</u></u>

Spokane International Academy
Statement of Activities
Year Ended August 31, 2025

Functions / Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue Changes in Net Position
Governmental Activities			
Instruction	\$ 9,330,295	\$ 2,139,345	\$ (7,190,950)
Support services	4,040,009	2,225,724	(1,814,285)
Interest expense	780,091	-	(780,091)
Total governmental activities	<u>\$ 14,150,395</u>	<u>\$ 4,365,069</u>	<u>(9,785,326)</u>
General Revenues			
State apportionment			9,318,744
Other revenue			138,455
Change in Net Position			(328,127)
Net Position - Beginning, as previously reported			7,583,881
Adjustments, Note 10			(177,622)
Net Position, Beginning, as restated			<u>7,406,259</u>
Net Position, End of Year			<u>\$ 7,078,132</u>

Spokane International Academy

Balance Sheet – Governmental Funds

August 31, 2025

	General Fund	Debt Service Fund	Total
Assets			
Cash and cash equivalents	\$ 4,953,216	\$ -	\$ 4,953,216
Restricted cash and cash equivalents	-	1,387,080	1,387,080
Accounts receivable	72,579	-	72,579
Prepaid expenses and other assets	36,304	-	36,304
Total assets	\$ 5,062,099	\$ 1,387,080	\$ 6,449,179
Liabilities			
Accounts payable	136,773	\$ -	\$ 136,773
Accrued expenses	11,591	-	11,591
Total liabilities	148,364	-	148,364
Fund Balance			
Nonspendable	36,304	-	36,304
Restricted for debt service	-	1,387,080	1,387,080
Unassigned	4,877,431	-	4,877,431
Total fund balance	4,913,735	1,387,080	6,300,815
Total liabilities and fund balance	\$ 5,062,099	\$ 1,387,080	\$ 6,449,179

Spokane International Academy
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
August 31, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balance - total governmental funds	\$ 6,300,815
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of the following:</p>	
Cost of capital assets	23,262,599
Accumulated depreciation	(4,008,587)
Right-of-use assets	155,462
Accumulated amortization	(72,882)
Net pension asset is a long-term asset which is not recongized on the governmental statements.	270,868
Deferred outflows of resources related to pension accruals not reported in the funds.	1,751,753
<p>Long-term liabilities, applicable to governmental activities are not due and payable in the current period and therefore are not reported as fund liabilities. These liabilities consist of the:</p>	
Long-term debt	(17,750,000)
Accrued interest	(138,450)
Bond premium	(1,188,830)
Lease obligations	(86,225)
Compensated absences	(200,540)
Net pension liability	(619,993)
Deferred inflows of resources related to pension accruals not reported in the funds.	<u>(597,858)</u>
Total net position of governmental activities	<u><u>\$ 7,078,132</u></u>

Spokane International Academy
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended August 31, 2025

	General Fund	Debt Service Fund	Total
Revenues			
State apportionment, general purpose	\$ 9,318,744	\$ -	\$ 9,318,744
State apportionment, special purpose	2,513,380	-	2,513,380
Federal grants and contracts	928,667	-	928,667
Grants and contributions	923,022	-	923,022
Other	138,380	75	138,455
Total revenues	13,822,193	75	13,822,268
Expenditures			
Instructional			
Basic education	6,687,890	-	6,687,890
Special education	1,418,206	-	1,418,206
Compensatory education	757,430	-	757,430
Other	138,306	-	138,306
Total instructional	9,001,832	-	9,001,832
Support Services			
Distict-wide support	2,384,446	24	2,384,470
School food services	635,728	-	635,728
Pupil transportation	677,161	-	677,161
Debt service payments - principal	-	270,000	270,000
Debt service payments - interest	-	841,500	841,500
Lease payments - principal	44,343	-	44,343
Lease payments - interest	3,838	-	3,838
Capital outlay	234,365	-	234,365
Capital outlay - leases	116,418	-	116,418
Total support services	4,096,299	1,111,524	5,207,823
Total expenditures	13,098,131	1,111,524	14,209,655
Other Financing Sources			
Leases	116,418	-	116,418
Transfers in	-	1,142,200	1,142,200
Transfers out	(1,142,200)	-	(1,142,200)
Net Change in Fund Balances	(301,720)	30,751	(270,969)
Fund Balances, Beginning of Year	5,215,455	1,356,329	6,571,784
Fund Balances, End of Year	\$ 4,913,735	\$ 1,387,080	\$ 6,300,815

See Notes to Financial Statements

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Spokane International Academy

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Year Ended August 31, 2025

Net change in fund balances - total governmental funds \$ (270,969)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	234,365
Depreciation expense	(1,086,826)
Amortization expense	(47,325)

Repayment of principal on long-term debt and lease obligations is an expenditure in the governmental funds but reduces the liability in the statement of net position. 314,343

Change in interest accrued on long-term debt reduces expenditures in the statement of activities, but has no impact on governmental funds. 1,800

Amortization of bond premium reduces expenditures in the statement of activities, but has no impact on the governmental funds. 59,609

Pension expense related to changes in the deferred outflows, net pension liability, and deferred inflows. 489,794

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the net change in the liability for the year. (22,918)

Change in Net Position of Governmental Activities \$ (328,127)

Note 1 - Summary of Significant Accounting Policies**Entity and Charter**

Spokane International Academy (the School) is organized as a nonprofit corporation providing public charter school educational services as authorized by Section 392 of Washington Code.

Washington Code requires charter schools to comply with the same government reporting requirements imposed on traditional public school districts, i.e. – on a governmental, rather than nonprofit, basis of accounting. Additionally, enabling legislation creates charter schools as public entities, i.e. – as public schools, subject to provisions common with other governmental entities as set forth in Washington Code. Accordingly, the School's basis of presentation follows the governmental, rather than nonprofit, reporting model.

Financial Reporting Entity

The accompanying financial statements present the activities of the School. The School receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the School is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are volunteers and have decision-making authority, the power to designate management, the ability to significantly influence operation, and the primary accountability for fiscal matters. These financial statements present the School and its blended component unit.

Blended Component Unit

Spokane International Academy – Magnesium, LLC was created in February 2021 to hold capital assets in support of the School, and is 100% owned by the School. Spokane International Academy – Magnesium, LLC is a blended component unit of Spokane International Academy, and is governed by its own Board of Directors.

Basis of Presentation

The School follows Governmental Accounting Standards Board (GASB) in determining the reporting entity and component units. The financial reporting entity consists of the primary government and the blended component unit. Accordingly, the financial statements include all funds, and agencies of the primary government whose budgets are controlled or whose boards are appointed by the School's Board of Directors.

The accounts of the School are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the financial activities of the School. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through intergovernmental revenues and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School's governmental activities.

- Direct expenses - those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses - expenses of the general government related to the administration and support of the School's programs, such as personnel and accounting, are allocated to programs based on their percentage of total primary government expenses.
- Program revenues - include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the School's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

- General Fund: This is the School's primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund.
- Debt Service Fund: Accounts for assets set aside to make debt service payments.

Basis of Accounting

The Government-Wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the School receives value without directly giving equal value in return, include state apportionment, grants, and donations. Revenue from state apportionment, grants, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with an original maturity of three months or less.

Restricted Cash and Cash Equivalents

In accordance with bond restrictions, the School is obligated to separately hold cash amounts sufficient to satisfy the debt reserves and unspent bond proceeds.

Accounts Receivable

Accounts receivable consists of amounts due from federal and state sources in connection with various grants and contracts.

Prepaid Expenses

Prepaid balances are for payments made by the School in the current year to provide services occurring in the subsequent year, or for supplies to be used in the subsequent year, and the reserve for these balances has been recorded to signify that a portion of the fund balance is not available for other subsequent expenditures.

Capital and Right-of-Use Assets

Capital assets are stated at cost when purchased or constructed, or if donated, at the estimated acquisition value at the date of the gift. The School's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Renovations and improvements to buildings that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from 5 to 40 years.

Right-of-use leased assets are recognized at the lease commencement date and represent the School's right to use an underlying asset for the lease term. Right-of-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-of-use leased assets are amortized over the shorter of the lease term or useful lives of the underlying asset using the straight-line method. The amortization period on the leases ranges from approximately 3-5 years.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses represent payroll and operating liabilities that will be paid in the next billing cycle.

Lease Obligations

Lease obligations represent the School's obligation to make lease payments arising from its leases. These liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on an incremental borrowing rate determined by the School.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the various pension plans and additions to/deducted from the fiduciary net position have been determined on the same basis as they are reported by the Base Plans. For this purpose, 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The School's deferred outflows and inflows relate to the net pension asset and liability.

Fund Balances and Net Position

Fund balances of the governmental funds are classified as follows:

- Nonspendable fund balance – amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. This consists of prepaid expenses.
- Restricted fund balance – amounts that can be spent only for specific purposes because of the School sponsoring organization, state or federal laws or externally imposed conditions by grantors or creditors. This consists of amounts restricted for debt service, as well as funds collected from the state that have not been expended for the required purpose.

Spokane International Academy

Notes to Financial Statements

August 31, 2025

- Committed fund balance – amounts constrained to specific purposes by the School itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the School takes the same highest-level action to remove or change the constraint. The School did not have any committed fund balance at August 31, 2025.
- Assigned fund balance – amounts the School intends to use for a specified purpose. Intent can be expressed by the Board of Directors or by a principal if the Board of Directors delegates the authority. The School did not have any assigned fund balance at August 31, 2025.
- Unassigned fund balance – amounts that are available for any purpose.

It is the School's intent that when an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, the School applies restricted fund balance first. When an expenditure is incurred for purposes for which restricted, committed, assigned, and unassigned fund balances are available, the School applies restricted fund balance, then committed fund balance, then assigned fund balance, and then unassigned fund balances.

Net position is the difference between the School's total assets and deferred outflows and total liabilities and deferred inflows. Net position is subdivided into three categories: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets represents capital and right-of-use assets, less accumulated depreciation and amortization, and outstanding principal of capital asset related debt, plus unspent bond proceeds. Net position subject to restrictions by external parties is categorized as restricted. This category represents net pension asset, restricted cash for unspent bond proceeds, and funds collected from the state that have not been expended for the required purpose.

Revenues

Entitlements and shared revenues (which include state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier, if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria has been met.

Other revenues become measurable and available when the transaction occurs and cash is received by the School and are recognized as revenue at that time.

Income Taxes

The School is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the School may recognize tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2025. The School files a Form 990 in the U.S. federal jurisdiction.

Adoption of New Standard

As of September 1, 2024, the School adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 12.

As of September 1, 2024, the School adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure.

Note 2 - Deposits and Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The School maintains the majority of its cash balances in two financial institutions in Spokane, Washington. As of August 31, 2025, the carrying amount of the School's deposits was \$6,340,296, and the respective bank balances totaled \$6,640,286. Of the total bank balance, \$501,979 was covered by federal depository insurance, \$5,098,697 was covered by Washington State Deposit Protection, and \$1,039,610 was uninsured. The School has chosen large, stable, and reputable financial institutions to mitigate risk.

Note 3 - Interfund

Transfers between funds support various programs in accordance with budgetary authorizations and resources for payment of debt services. There was an interfund transfer from the general fund to the debt service fund in the amount of \$1,142,200 during the year ended August 31, 2025.

Spokane International Academy

Notes to Financial Statements

August 31, 2025

Note 4 - Capital Assets

Capital asset activity for the year ended August 31, 2025, is as follows:

Governmental Activities	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000
Total capital assets, not being depreciated	1,100,000	-	-	1,100,000
Capital assets, being depreciated				
Building	10,200,000	-	-	10,200,000
Building improvements	11,457,475	146,216	-	11,603,691
Computers and equipment	270,759	88,149	-	358,908
Total capital assets, being depreciated	21,928,234	234,365	-	22,162,599
Less accumulated depreciation	(2,921,761)	(1,086,826)	-	(4,008,587)
Total capital assets, net	\$ 20,106,473	\$ (852,461)	\$ -	\$ 19,254,012

Depreciation expense totaled \$753,108 and \$333,718, charged to instruction and support services, respectively, for the year ended August 31, 2025.

Note 5 - Right-of-Use Assets

Right-of-use asset activity for the year ended August 31, 2025 is as follows:

Governmental Activities	Beginning Balance	Additions	Retirements	Ending Balance
Right-Of-Use Assets				
Office space	\$ 128,508	\$ 116,418	\$ (128,508)	\$ 116,418
Copiers	39,044	-	-	39,044
Total right-of-use assets	167,552	116,418	(128,508)	155,462
Less accumulated amortization	(154,065)	(47,325)	128,508	(72,882)
	\$ 13,487	\$ 69,093	\$ -	\$ 82,580

Amortization expense totaled \$47,325 charged to support services for the year ended August 31, 2025.

Spokane International Academy

Notes to Financial Statements

August 31, 2025

Note 6 - Long-Term Debt

Long-term debt activity for the year ended August 31, 2025 is as follows:

	<u>Beginning Balance</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Series 2021A Revenue bonds, interest ranging from 3.50%-5.00% maturity in August 2056	\$ 18,020,000	\$ (270,000)	\$ 17,750,000	\$ 285,000
Bond premium	<u>1,248,439</u>	<u>(59,609)</u>	<u>1,188,830</u>	<u>-</u>
Total long-term liabilities	<u>\$ 19,268,439</u>	<u>\$ (329,609)</u>	<u>\$ 18,938,830</u>	<u>\$ 285,000</u>

Future payments on long-term debt are as follows:

<u>Years Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 285,000	\$ 830,700	\$ 1,115,700
2027	295,000	819,300	1,114,300
2028	305,000	807,500	1,112,500
2029	320,000	795,300	1,115,300
2030	330,000	782,500	1,112,500
2031-2035	1,875,000	3,702,500	5,577,500
2036-2040	2,270,000	3,296,900	5,566,900
2041-2045	2,820,000	2,749,250	5,569,250
2046-2050	3,600,000	1,970,000	5,570,000
2051-2055	4,590,000	975,750	5,565,750
2056	<u>1,060,000</u>	<u>53,000</u>	<u>1,113,000</u>
Total minimum obligations	<u>\$ 17,750,000</u>	<u>\$ 16,782,700</u>	<u>\$ 34,532,700</u>

In March 2021, the School issued Nonprofit Revenue Bonds, Series 2021 in the amount of \$18.6 million. The proceeds from the bonds were used for capital construction. Future payments on the bonds will be paid utilizing rental payments paid from Spokane International Academy to Spokane International Academy – Magnesium, LLC.

The Revenue Bonds contain certain covenants including days cash on hand of 60 days and a coverage ratio not less than 1.1:1.0. Remedies for noncompliance with these covenants vary depending on the severity of the noncompliance. The School has a coverage ratio of 1.01:1.00 for the year ended August 31, 2025. The remedy for a coverage ratio of 1.01:1.00 is that the School shall promptly employ an Independent Consultant to review and analyze the operations and administration of the School, submit to the School and the Bond Trustee written reports, and make such recommendations as to the operation and administration of the School as such Independent Consultant deems appropriate, including any recommendation as to a revision of the methods of operation of the School.

Spokane International Academy

Notes to Financial Statements

August 31, 2025

Note 7 - Lease Obligations

Spokane International Academy leases office space under a long-term lease through 2027. The lease calls for escalating payments through the lease, ranging from \$3,250 to \$3,583. Spokane International Academy used an interest rate of 3.5% for this lease, which is based on Spokane International Academy's incremental borrowing rate at the inception of the lease.

Spokane International Academy has entered into a master copier lease through 2026. Spokane International Academy uses an interest rate of 3.25% for this lease, which is based on Spokane International Academy's incremental borrowing rate at the inception of the lease.

Lease obligation activity for the year ended August 31, 2025 is as follows:

	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
Office Space Leases	\$ -	\$ 116,418	\$ (35,491)	\$ 80,927	\$ 38,735
Copier Leases	14,150	-	(8,852)	5,298	5,298
Total lease obligations	<u>\$ 14,150</u>	<u>\$ 116,418</u>	<u>\$ (44,343)</u>	<u>\$ 86,225</u>	<u>\$ 44,033</u>

Future payments on lease obligations are as follows:

Years Ending August 31,	Principal	Interest	Total
2025	\$ 44,033	\$ 2,273	\$ 46,306
2026	42,192	804	42,996
	<u>\$ 86,225</u>	<u>\$ 3,077</u>	<u>\$ 89,302</u>

Note 8 - Pension Plans**General Information**

The State of Washington Legislature has established various pension plans for employees in Washington State. These plans include:

- Public Employees' Retirement System (PERS) – established in chapters 41.34 and 41.40 Revised Code of Washington (RCW)
- School Employee's Retirement System (SERS) – established in chapters 41.34 and 41.35 RCW
- Teachers' Retirement System (TRS) – established in chapters 41.32 and 41.34 RCW

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

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

Detailed information about the pension plans' fiduciary net position is available in the separately issued DRS 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 <http://www.drs.wa.gov>.

Administration

Substantially all the School's full-time and qualifying part-time employees participate in TRS or SERS, which are contributory, multi-employer, cost-sharing statewide retirement systems managed by the Washington State DRS. While the School does not have any members who participate in PERS, the School is allocated a proportionate share of liability or asset for the plans as required by the State of Washington Legislature.

PERS

PERS is composed of and reported as 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. The school does not have any members or share of liability in plans 2/3 and 3.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are calculated as 2% times the member's Average Final Compensation (AFC) times the member's years of service. AFC is the average of the member's 24 consecutive highest-paid service credit 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 the age of 65 may also receive actuarially reduced benefits. Other benefits include duty and nonduty disability payments, an optional Cost-of-Living Adjustment (COLA), and a duty-related death benefit, if the Washington State Department of Labor & Industries determines the member eligible.

SERS

SERS is composed 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 employees can be a member of only 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 Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

SERS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits for Plan 2 are calculated as 2% times the member's AFC times the member's years of service for Plan 2. Retirement 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 duty and nonduty disability payments; a COLA based on the Consumer Price Index, capped at 3% annually; and a duty-related death benefit, if the Washington State Department of Labor & Industries determines the member eligible.

TRS

TRS is composed 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 be a member of only 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 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 the terms of the plans define. Therefore, Plan 2/3 is considered 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 AFC times the member's years of service up to a maximum of 60%. AFC is the average of the member's 24 consecutive highest-paid service credit months.

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

Spokane International Academy

Notes to Financial Statements

August 31, 2025

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 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 contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity.

Contributions

The employer contribution rates for PERS, TRS, and SERS (Plans 1, 2, and 3) and the TRS and SERS Plan 2 employee contribution rates are established by the Pension Funding Council based upon the rates set by the Legislature. The employee contribution rate for Plan 1 in PERS and TRS is set by statute at 6 percent and does not vary from year to year. The employer rate is the same for all plans in a system. The methods used to determine the contribution requirements are established under chapters 41.40, 41.32, and 41.35 RCW for PERS, TRS and SERS, respectively.

Employee contribution rates, expressed as a percentage of payroll covered for 2025 were as follows:

Plan	Rate
PERS 1	6.00%
SERS 2	7.76%
SERS 3	N/A
TRS 1	6.00%
TRS 2	8.06%
TRS 3	N/A

Spokane International Academy
Notes to Financial Statements
August 31, 2025

Employer contribution rates, expressed as a percentage of payroll covered for 2025 were as follows:

<u>Plan</u>	<u>Rate</u>
PERS 1	9.11%
SERS 2/3	10.51%
TRS 1	9.86%
TRS 2/3	9.86%

Note: The DRS administrative rate of 0.20% is included.

Under current law the employer must contribute 100 percent of the employer-required contribution. Employer required contributions in dollars:

<u>Plan</u>	<u>Contributions</u>
PERS 1	\$ 45,424
SERS 2/3	136,663
TRS 1	79,423
TRS 2/3	417,164

Collective Net Pension Liability (Asset)

The collective net pension liabilities (assets) for the pension plans the School participated in are reported in the following tables. Net Pension Liability (Asset) as of June 30, 2025:

	<u>PERS 1</u>	<u>SERS 2/3</u>	<u>TRS 1</u>	<u>TRS 2/3</u>
Total pension liability	\$ 10,789,754,000	\$ 11,005,685,000	\$ 7,987,466,000	\$ 29,865,548,000
Plan fiduciary net position	(9,610,758,000)	(11,250,334,000)	(7,037,456,000)	(30,138,755,000)
Participating employers' net pension liability (asset)	1,178,996,000	(244,649,000)	950,010,000	(273,207,000)
Plan fiduciary net position as a percentage of the total pension liability	89.07%	102.22%	88.11%	100.91%

The School's Proportionate Share of the Net Pension Liability (NPL) and Net Pension Asset (NPA)

At August 31, 2025, the School reported a total liability of \$619,993 and a total asset of \$270,868 for its proportionate shares of the individual plans' collective net pension amounts. The School's proportionate share of the collective net pension amounts is based on annual contributions for each of the employers participating in the DRS administered plans.

Spokane International Academy

Notes to Financial Statements

August 31, 2025

At August 31, 2025, the School's proportionate share of each plan's net pension liability (asset) is reported below:

August 31, 2025	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Proportionate share of Net Pension Liability (Asset)	0.008238%	0.048737%	0.055038%	0.055501%
	\$ 97,126	\$ (119,235)	\$ 522,867	\$ (151,633)

At August 31, 2025, the School's proportionate share of each plan's net pension liability (asset) is reported below:

August 31, 2024	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Proportionate share of Net Pension Liability (Asset)	0.007393%	0.041538%	0.054311%	0.049884%
	\$ 131,362	\$ (14,055)	\$ 602,470	\$ 99,963

Actuarial Assumptions

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

The total pension liabilities for PERS 1, SERS 2/3, TRS 1, and TRS 2/3 were determined by actuarial valuation as of June 30, 2024, with the results rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	2.75% total economic inflation, 3.25% salary inflation
Salary increase	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 were developed using the Society of Actuaries' Pub.H-2010 Mortality rates, which vary by member status (active, retiree, or survivor), as the base table. The Office of the State Actuary (OSA) applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of the 2013-2018 Demographic Experience Study Report and the 2023 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2024 actuarial valuation report.

Long-Term Expected Rate of Return

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

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

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

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

The Office of the State Actuary (OSA) selected a 7.00% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered CMAs and simulated expected investment returns the WSIB provided.

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, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed income	19.00%	2.10%
Tangible assets	8.00%	4.50%
Real estate	18.00%	4.80%
Global equity	30.00%	5.60%
Private equity	25.00%	8.60%

The inflation component used to create the above table is 2.50%, and represents Washington State Investment Board's (WSIB) most recent long-term estimate of broad economic inflation consistent with their 2023 CMAs.

For additional information and background on OSA's development of the long-term rate of return assumption, please see the 2023 Report on Financial Condition and Economic Study located on the OSA website. The selection of this assumption and economic experience studies are further detailed in the DRS ACFR Actuarial Certification Letter.

Spokane International Academy

Notes to Financial Statements

August 31, 2025

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 our Certification Letter, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.00% on pension plan investments was applied to determine the total pension liability.

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

The Pension Plans reported collective Deferred Outflows of Resources and collective Deferred Inflows of Resources related to the individual plans. At August 31, 2025, the School reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PERS 1		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 6,677
	<u>\$ -</u>	<u>\$ 6,677</u>
SERS 2/3		
Difference between expected and actual experiences	\$ 209,865	\$ -
Net difference between projected and actual earnings on pension plan investments	-	67,651
Changes in assumptions or other inputs	92,065	476
Changes in proportion and differences between contributions and proportionate share of contributions	4,307	57,330
Contributions subsequent to the measurement date	29,413	-
	<u>\$ 335,650</u>	<u>\$ 125,457</u>
TRS 1		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 32,347
	<u>\$ -</u>	<u>\$ 32,347</u>

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Spokane International Academy
Notes to Financial Statements
August 31, 2025

TRS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$ 804,398	\$ 6,860
Net difference between projected and actual earnings on pension plan investments	-	209,347
Changes in assumptions or other inputs	497,750	27,159
Changes in proportion and differences between contributions and proportionate share of contributions	35,475	190,011
Contributions subsequent to the measurement date	78,480	-
	\$ 1,416,103	\$ 433,377

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense (benefit) as follows:

Years Ended August 31,	PERS 1	SERS 2/3	TRS 1	TRS 2/3
2026	\$ 6,371	\$ 116,784	\$ 32,505	\$ 283,680
2027	(4,641)	40,714	(22,688)	90,858
2028	(4,820)	12,999	(24,470)	76,121
2029	(3,587)	2,797	(17,694)	84,743
2030	-	7,486	-	141,864
Thereafter	-	-	-	226,980

Pension Expense

The School recognizes a pension expense for its proportionate share of the collective pension expense. This is determined by using the School's proportionate share of the collective net pension liability. For the year ending August 31, 2025, the School recognized a total pension benefit as follows:

PERS 1	\$ (38,070)
SERS 2/3	(81,868)
TRS 1	(103,995)
TRS 2/3	(265,861)
	\$ (489,794)
Total	\$ (489,794)

Spokane International Academy

Notes to Financial Statements

August 31, 2025

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

The table below presents the School's proportionate share of the net pension liability (asset) as of August 31, 2025, calculated using the discount rate of 7.00%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate. Amounts are calculated by plan using the School's allocation percentage.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
PERS 1 Net Pension Liability	\$ 163,890	\$ 97,126	\$ 38,572
SERS 2/3 Net Pension Liability (Asset)	634,200	(119,235)	(739,354)
TRS 1 Net Pension Liability	847,431	522,867	237,496
TRS 2/3 Net Pension Liability (Asset)	2,549,199	(151,633)	(2,346,246)

Historical trend information showing TRS and PERS progress in accumulating sufficient assets to pay benefits when due is presented in the State of Washington's June 30, 2025 annual comprehensive financial report (ACFR). Refer to this report for detailed trend information.

Payables to the Pension Plans

At August 31, 2025, the School reported no payables to the defined benefit pension plans for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to the plans.

Note 9 - Concentrations

The School's principal source of support is state based support revenue, including federal funds passed through the state. For the year ended August 31, 2025, the state based support revenue accounted for approximately 92% of all revenues.

Note 10 - Risk Management

Spokane International Academy, in the normal course of its activities, may be involved in various claims and pending litigation. In the opinion of management, the disposition of these matters is not expected to have a material adverse effect on School's financial statements.

Note 11 - Compensated Absences

Spokane International Academy provides paid time off (PTO) benefits to employees, which include personal leave and sick leave. No types of leave have a payout if terminated. Personal leave accruals are paid out at the end of the fiscal year and do not carry over. Full time employees earn 56 hours of sick leave per year, which is carried over year over year with no limit.

The liability for compensated absences is determined based on accumulated sick leave balances at year-end, applying current pay rates for all eligible employees. In addition, historical usage patterns are considered to estimate the amount that will ultimately be paid.

Compensated absences activity for the year ended August 31, 2025 is as follows:

	Beginning Balance, as restated	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences*	\$ 177,622	\$ 22,918	\$ -	\$ 200,540	\$ 88,707

* The roll-forward schedule only reports the net change in the compensated absences liability.

Note 12 - Restatement

As of September 1, 2024, the School adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, compensated absences current portion and compensated absences noncurrent portion were increased by \$76,562 and \$101,060, respectively, as of September 1, 2024. The effect of this change in accounting principle is described in the table below.

	September 1, 2024, As Previously Reported	Change in Accounting Principle	September 1, 2024, As Restated
Government-Wide Governmental Activities	\$ 7,583,881	\$ (177,622)	\$ 7,406,259

Required Supplementary Information
August 31, 2025

Spokane International Academy

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Spokane International Academy

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund
Year Ended August 31, 2025

	Budget Original and Final	Actual	Variance
Revenues			
State apportionment, general purpose	\$ 10,436,363	\$ 9,318,744	\$ (1,117,619)
State apportionment, special purpose	2,453,768	2,513,380	59,612
Federal grants and contracts	1,229,066	928,667	(300,399)
Grants and contributions	-	923,022	923,022
Other	96,500	138,380	41,880
Total revenues	14,215,697	13,822,193	(393,504)
Expenditures			
Instructional			
Basic education	6,546,461	6,687,890	141,429
Special education	1,327,793	1,418,206	90,413
Compensatory education	1,108,418	757,430	(350,988)
Other	87,917	138,306	50,389
Total instructional	9,070,589	9,001,832	(68,757)
Support Services			
District-wide support	2,190,450	2,432,627	242,177
School food services	622,494	635,728	13,234
Pupil transportation	659,845	677,161	17,316
Capital outlay	490,400	350,783	(139,617)
Total support services	3,963,189	4,096,299	133,110
Total expenditures	13,033,778	13,098,131	64,353
Other Financing Sources			
Leases	-	116,418	116,418
Transfers out	(1,161,500)	(1,142,200)	19,300
Net Change in Fund Balances	\$ 20,419	\$ (301,720)	\$ (322,139)

Spokane International Academy
Schedule of Employer's Share of Net Pension Liability/(Asset)
Last Ten Fiscal Years*

	As of the measurement date of June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
PERS 1								
Employer's proportionate share of the net pension liability	0.008238%	0.007393%	0.006534%	0.006333%	0.005088%	0.003821%	0.003698%	0.004572%
Employer's proportion share of the net pension liability	\$ 97,126	\$131,362	\$ 149,154	\$ 176,334	\$ 62,136	\$ 134,902	\$ 142,201	\$ 204,187
Employer's covered payroll	\$ 1,661,326	\$1,389,267	\$ 1,217,058	\$ 1,036,223	\$ 836,749	\$ 614,484	\$ 557,204	\$ 692,182
Employer's proportional share of the net pension liability as a percentage of its covered payroll	5.8%	9.5%	12.3%	17.0%	7.4%	22.0%	25.5%	33.0%
Plan fiduciary net position as a percentage of the total pension liability	89.1%	84.1%	80.2%	88.7%	68.6%	67.1%	63.2%	61.2%
SERS 2/3								
Employer's proportionate share of the net pension liability	0.048737%	0.041538%	0.037118%	0.034051%	0.030671%	0.021852%	0.021453%	0.028026%
Employer's proportion share of the net pension liability (asset)	\$ (119,235)	(14,055)	\$ (53,132)	\$ (91,478)	\$ (329,314)	\$ 116,245	\$ 50,307	\$ 83,815
Employer's covered payroll	\$ 1,661,326	1,389,267	\$ 1,217,058	\$ 1,036,223	\$ 836,749	\$ 614,484	\$ 557,204	\$ 692,182
Employer's proportional share of the net pension liability as a percentage of its covered payroll	-7.2%	-1.0%	-4.4%	-8.8%	-39.4%	18.9%	9.0%	21.1%
Plan fiduciary net position as a percentage of the total pension liability	102.2%	100.3%	101.5%	103.2%	114.2%	92.4%	96.3%	94.8%
TRS 1								
Employer's proportionate share of the net pension liability	0.055038%	0.054311%	0.048636%	0.039776%	0.031986%	0.027064%	0.028517%	0.028278%
Employer's proportion share of the net pension liability	\$ 522,867	\$602,470	\$ 615,983	\$ 756,472	\$ 215,361	\$ 651,914	\$ 706,025	\$ 825,885
Employer's covered payroll	\$ 4,817,057	\$4,405,727	\$ 4,273,255	\$ 3,297,359	\$ 2,429,103	\$ 2,004,133	\$ 2,008,314	\$ 927,536
Employer's proportional share of the net pension liability as a percentage of its covered payroll	10.9%	13.7%	14.4%	22.9%	8.9%	32.5%	35.2%	51.2%
Plan fiduciary net position as a percentage of the total pension liability	88.1%	86.5%	85.1%	78.2%	91.4%	70.6%	70.4%	66.5%
TRS 2/3								
Employer's proportionate share of the net pension liability	0.055501%	0.049884%	0.048832%	0.039953%	0.032151%	0.027551%	0.028862%	0.028761%
Employer's proportion share of the net pension liability (asset)	\$ (151,633)	99,963	\$ (59,973)	\$ (78,622)	\$ (883,769)	\$ 423,178	\$ 173,903	\$ 129,457
Employer's covered payroll	\$ 4,817,057	4,405,727	\$ 4,273,255	\$ 3,297,359	\$ 2,429,103	\$ 2,004,133	\$ 2,008,314	\$ 1,781,861
Employer's proportional share of the net pension liability as a percentage of its covered payroll	-3.1%	2.3%	-1.4%	-2.4%	-36.4%	21.1%	8.7%	16.0%
Plan fiduciary net position as a percentage of the total pension liability	100.9%	99.3%	100.5%	100.9%	113.7%	91.7%	96.4%	96.9%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Spokane International

See Notes to Required Supplementary Information

Academy will present information for those years for which information is available. Data reported is measured as of June 30 (measurement date).

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Spokane International Academy
Schedule of Employer's Contributions
Last Ten Fiscal Years*

	As of report date of August 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
PERS 1										
Statutorily required contribution	\$ 45,424	\$ 44,254	\$ 44,522	\$ 38,813	\$ 37,900	\$ 27,689	\$ 26,513	\$ 30,561	\$ 30,561	\$ 30,561
Contributions in relation to the statutorily required contribution	\$ 45,424	\$ 44,254	\$ 44,522	\$ 38,813	\$ 37,900	\$ 27,689	\$ 26,513	\$ 30,561	\$ 30,561	\$ 30,561
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,720,465	\$ 1,444,072	\$ 1,244,682	\$ 1,028,398	\$ 903,590	\$ 701,417	\$ 543,560	\$ 689,384	\$ 689,384	\$ 689,384
Contributions as a percentage of the covered payroll	2.64%	3.06%	3.58%	3.77%	4.19%	3.95%	4.88%	4.43%	4.43%	4.43%
SERS 2/3										
Statutorily required contribution	\$ 136,663	\$ 109,811	\$ 94,236	\$ 73,054	\$ 65,255	\$ 52,536	\$ 55,145	\$ 48,606	\$ 48,606	\$ 48,606
Contributions in relation to the statutorily required contribution	\$ 136,663	\$ 109,811	\$ 94,236	\$ 73,054	\$ 65,255	\$ 52,536	\$ 55,145	\$ 48,606	\$ 48,606	\$ 48,606
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,720,465	\$ 1,444,072	\$ 1,244,682	\$ 1,028,398	\$ 903,590	\$ 701,417	\$ 543,560	\$ 689,384	\$ 689,384	\$ 689,384
Contributions as a percentage of the covered payroll	7.94%	7.60%	7.57%	7.10%	7.22%	7.49%	10.15%	7.05%	7.05%	7.05%
TRS 1										
Statutorily required contribution	\$ 79,423	\$ 121,078	\$ 262,501	\$ 204,109	\$ 175,799	\$ 142,125	\$ 141,621	\$ 117,607	\$ 117,607	\$ 117,607
Contributions in relation to the statutorily required contribution	\$ 79,423	\$ 121,078	\$ 262,501	\$ 204,109	\$ 175,799	\$ 142,125	\$ 141,621	\$ 117,607	\$ 117,607	\$ 117,607
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 4,878,035	\$ 4,491,210	\$ 4,341,179	\$ 3,510,532	\$ 2,517,304	\$ 2,044,851	\$ 2,062,820	\$ 1,800,289	\$ 1,800,289	\$ 1,800,289
Contributions as a percentage of the covered payroll	1.63%	2.70%	6.05%	5.81%	6.98%	6.95%	6.87%	6.53%	6.53%	6.53%
TRS 2/3										
Statutorily required contribution	\$ 417,164	\$ 318,211	\$ 342,083	\$ 279,797	\$ 172,503	\$ 75,018	\$ 289,067	\$ 136,474	\$ 136,474	\$ 136,474
Contributions in relation to the statutorily required contribution	\$ 417,164	\$ 318,211	\$ 342,083	\$ 279,797	\$ 172,503	\$ 75,018	\$ 289,067	\$ 136,474	\$ 136,474	\$ 136,474
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 4,878,035	\$ 4,491,210	\$ 4,341,179	\$ 3,510,532	\$ 2,517,304	\$ 2,044,851	\$ 2,062,820	\$ 1,800,289	\$ 1,800,289	\$ 1,800,289
Contributions as a percentage of the covered payroll	8.55%	7.09%	7.88%	7.97%	6.85%	3.67%	14.01%	7.58%	7.58%	7.58%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Spokane International Academy will present information for those years for which information is available. Data reported is measured as of August 31 (report date).

Pension Plans

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. The actuarial methods and significant assumptions used in these valuations are available in the publicly available actuary reports for the three pension plans.

The Participating Employer Financial Information (PEFI) can be found at:

<https://www.drs.wa.gov/2025-annual-report-newsfeed/>

The Annual Comprehensive Financial Report (ACFR) can be found at:

<https://www.drs.wa.gov/2025-annual-report-newsfeed/>

The Actuarial Valuation can be found at:

<https://leg.wa.gov/media/v4wly3ow/2024avr.pdf>

Basis of Budgetary Accounting

The School's legal budget is prepared on the modified accrual basis of accounting. The Budget and Actual schedules are prepared on the budgetary basis which agrees to Generally Accepted Accounting Principles (GAAP).

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Single Audit Section
August 31, 2025

Spokane International Academy

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Independent Auditor's 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

To the Board of Directors
Spokane International Academy
Spokane, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of Spokane International Academy as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise Spokane International Academy's basic financial statements and have issued our report thereon dated **DATE**.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Spokane International Academy'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 Spokane International Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Spokane International Academy'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 Spokane International Academy'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 in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Spokane International Academy'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 Spokane International Academy'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 Spokane International Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Spokane, Washington

DATE

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Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Spokane International Academy
Spokane, Washington

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Spokane International Academy's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Spokane International Academy's major federal program for the year ended August 31, 2025. Spokane International Academy's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Spokane International Academy complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended August 31, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Spokane International Academy 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of Spokane International Academy's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Spokane International Academy'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 Spokane International Academy'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 material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 judgment made by a reasonable user of the report on compliance about Spokane International Academy's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- 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 Spokane International Academy'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 Spokane International Academy'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 Spokane International Academy's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Spokane, Washington

DATE

Spokane International Academy
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
<u>Pass-Through Programs</u>			
Washington Office of Superintendent of Public Instruction			
Title I Grants to Local Educational Agencies	84.010	S010A230047	\$ 281,153
Supporting Effective Instruction State Grants	84.367	S358B230047	22,084
Student Support and Academic Enrichment Program	84.424	S424A230049	19,587
Special Education Cluster			
Special Education Grants to States	84.027	H027A230074	<u>125,854</u>
Total U.S. Department of Education			<u>448,678</u>
U.S. Department of Agriculture			
<u>Pass-Through Programs</u>			
Washington Office of Superintendent of Public Instruction			
Child Nutrition Cluster			
School Breakfast Program	10.553	160165	104,115
Commodities	10.555	Unknown	73,182
National School Lunch Program	10.555	160165	<u>238,837</u>
Total Child Nutrition Cluster			<u>416,134</u>
Child Nutrition Discretionary Grants Limited Availability	10.579	FP472	45,617
Total U.S. Department of Agriculture			<u>461,751</u>
Total federal financial assistance			<u>\$ 910,429</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Spokane International Academy under programs of the federal government for the year ended August 31, 2025. The information is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the Spokane International Academy, it is not intended to and does not present the financial position, changes in fund balance or net position of Spokane International Academy.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

Spokane International Academy has not elected to use the 10% de minimis cost rate.

Note 4 - Food Donation

Nonmonetary assistance is reported in the SEFA at the fair market value of the commodities received and disbursed.

Spokane International Academy
 Schedule of Findings and Questioned Costs
 Year Ended August 31, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No
Identification of major programs:	Federal Assistance
Name of Federal Program or Cluster	Listing Number
Child Nutrition Cluster	10.553, 10.555
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – Findings – Financial Statement Audit

There were no findings relating to the financial statement audit.

Section III - Findings and Questioned Costs – Major Federal Award Programs Audit

There were no findings reported relating to the major federal award programs audit.

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25-26 Enrollment - FTE													
	9	10	11	12	1	2	3	4	5	6	Total Ave.	Budget	Variance
K	68.00	73.00	72.00	72.00	71.00	72.00	71.00	72.00	72.00		71.44	70.00	1.44
1	92.00	92.00	94.00	94.00	94.00	92.00	93.00	91.00	91.00		92.56	93.00	(0.44)
2	69.00	71.00	70.00	70.00	71.00	71.00	72.00	70.00	69.00		70.33	70.00	0.33
3	94.00	92.00	92.00	92.00	93.00	93.00	94.00	93.00	93.00		92.89	93.00	(0.11)
4	93.00	95.00	95.00	95.00	92.00	91.00	92.00	90.00	90.00		92.56	93.00	(0.44)
5	92.00	94.00	96.00	96.00	95.00	95.00	95.00	94.00	94.00		94.56	93.00	1.56
6	88.00	86.00	86.00	84.00	85.00	84.00	84.00	83.00	83.00		84.78	87.00	(2.22)
7	89.00	85.00	85.00	85.00	85.00	85.00	86.00	84.00	84.00		85.33	87.00	(1.67)
8	69.00	66.00	66.00	65.00	65.00	64.00	63.00	63.00	63.00		64.89	56.00	8.89
9	44.00	45.00	45.00	41.00	41.00	38.00	38.00	39.00	38.00		41.00	56.00	(15.00)
10	38.00	38.00	39.00	36.00	36.00	36.00	35.00	35.00	35.00		36.44	39.00	(2.56)
11	9.60	8.40	8.40	8.40	8.40	8.40	9.60	8.60	8.25		8.67	9.00	(0.33)
12	2.40	2.40	2.40	2.40	2.40	4.80	4.80	4.80	4.60		3.44	5.00	(1.56)
	848.00	847.80	850.80	840.80	838.80	834.20	837.40	827.40	824.85	-	838.89	851.00	(12.11)

25-26 Enrollment - Headcount													
	9	10	11	12	1	2	3	4	5	6	Total Ave.	Budget	Variance
K	68.00	73.00	72.00	72.00	71.00	72.00	71.00	72.00	72.00		71.44	70.00	1.44
1	92.00	92.00	94.00	94.00	94.00	92.00	93.00	91.00	91.00		92.56	93.00	(0.44)
2	69.00	71.00	70.00	70.00	71.00	71.00	72.00	70.00	69.00		70.33	70.00	0.33
3	94.00	92.00	92.00	92.00	93.00	93.00	94.00	93.00	93.00		92.89	93.00	(0.11)
4	93.00	95.00	95.00	95.00	92.00	91.00	92.00	90.00	90.00		92.56	93.00	(0.44)
5	92.00	94.00	96.00	96.00	95.00	95.00	95.00	94.00	94.00		94.56	93.00	1.56
6	88.00	86.00	86.00	84.00	85.00	84.00	84.00	83.00	83.00		84.78	87.00	(2.22)
7	89.00	85.00	85.00	85.00	85.00	85.00	86.00	84.00	84.00		85.33	87.00	(1.67)
8	69.00	66.00	66.00	65.00	65.00	64.00	63.00	63.00	63.00		64.89	56.00	8.89
9	44.00	45.00	45.00	41.00	41.00	38.00	38.00	39.00	38.00		41.00	56.00	(15.00)
10	38.00	38.00	39.00	36.00	36.00	36.00	35.00	35.00	35.00		36.44	39.00	(2.56)
11	18.00	17.00	17.00	17.00	17.00	17.00	17.00	16.00	16.00		16.89	9.00	7.89
12	4.00	4.00	4.00	4.00	4.00	7.00	7.00	7.00	7.00		5.33	5.00	0.33
	858.00	858.00	861.00	851.00	849.00	845.00	847.00	837.00	835.00	-	849.00	851.00	(2.00)

** Running Start students not counted in the above numbers

Financial Statements
August 31, 2025

Spokane International Academy

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Spokane International Academy

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Independent Auditor's Report

To the Board of Directors
Spokane International Academy
Spokane, Washington

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Spokane International Academy as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise Spokane International Academy's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Spokane International Academy as of August 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government 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 Spokane International Academy, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 12 to the financial statements, Spokane International Academy has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended August 31, 2025. Accordingly, a restatement has been made to the governmental activities net position as of September 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- 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 Spokane International Academy'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 Spokane International Academy's ability to continue as a going concern for a reasonable period of time.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, the Schedule of Employer’s Share of Net Pension Liability/(Asset), the Schedule of Employer’s Contributions, and the Notes to Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquires of management about the methods or preparing the information and comparing the information for consistency with management’s responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Spokane International Academy’s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated DATE, on our consideration of Spokane International Academy’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 solely 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 Spokane International Academy’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Spokane International Academy’s internal control over financial reporting and compliance.

Spokane, Washington

DATE

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Overview

The following Management Discussion and Analysis (MD&A) is required supplemental information under the Governmental Accounting Standards Board (GASB) reporting model. Spokane International Academy's (the School) MD&A presents an overview of its financial condition and results of operations for the fiscal years ended August 31, 2025. The MD&A's purpose is to aid readers in understanding the accompanying financial statements through analysis of the School's financial activities based on currently known facts and conditions. This MD&A should be read in conjunction with the accompanying financial statements and footnote disclosures.

Financial Highlights

In fiscal year 2025, net change in fund balances in governmental funds was approximately (\$271,000) compared to \$657,000 in fiscal year 2024. Unassigned fund balance as of August 31, 2025 was approximately \$4,877,000 compared to \$5,091,000 as of August 31, 2024.

Management believes the future outlook is bright as the School continues to fill up all available student slots and continues to maintain strong revenues year over year. The School continues to invest in infrastructure to benefit future years with building improvements. The School now operates a K-12th grade school at its primary location. Management believes that with steady growth, Spokane International Academy will continue to empower its students with the academic skills, habits of mind, and global competence necessary to become leaders who can powerfully transform our communities, all while maintaining fiscal responsibility.

Government-Wide Financial Analysis

Government-wide financial statements provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents all of the School's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as Net Position. Changes in net position over time serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The Statement of Activities shows how the School's net position changed during the current year. These statements are prepared using the accrual basis of accounting, similar to the method used by private-sector businesses. Accrual accounting considers all of the year's revenues and expenses, regardless of when the cash is received or paid.

Change in Net Position tells the reader whether the financial position of the School has improved or diminished. However, in evaluating the overall position of the School, nonfinancial information (such as changes in the School's student count) will also need to be considered.

Spokane International Academy
Management Discussion and Analysis
August 31, 2025

Change in Accounting Principle

Effective September 1, 2024, the School adopted provisions of GASB Statement No. 101 *Compensated Absences*. As a result of this change in accounting principle, it was not appropriate for the School to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended August 31, 2024 was not restated. See Note 12 to the financial statements for further information on the change in accounting principle.

Statement of Net Position

The following is a summary of the statements of net position as of August 31, 2025 and 2024:

	2025	2024	Change
Current Assets	\$ 6,449,179	\$ 6,883,371	\$ (434,192)
Capital and Right-of-Use Assets, Net	19,336,592	20,119,960	(783,368)
Net Pension Asset	270,868	14,055	256,813
Total Assets	26,056,639	27,017,386	(960,747)
Deferred Outflows of Resources	1,751,753	1,639,273	112,480
Current Liabilities	704,554	730,689	(26,135)
Long-Term Liabilities	18,807,855	19,003,737	(195,882)
Net Pension Liability	619,993	833,795	(213,802)
Total Liabilities	20,132,402	20,568,221	(435,819)
Deferred Inflows of Resources	597,858	504,557	93,301
Net Position			
Net investment in capital assets	173,087	697,121	(524,034)
Restricted	1,657,948	1,439,300	218,648
Unrestricted	5,247,097	5,447,460	(200,363)
Total Net Position	\$ 7,078,132	\$ 7,583,881	\$ (505,749)

Assets include the School's cash, accounts receivable, prepaid expenses, capital and right-of-use assets, and net pension asset. Total assets decreased approximately \$961,000 primarily due to a decrease in capital assets due to depreciation, as well as a decrease in cash and cash equivalents, which were primarily used for debt service. Management expects assets to increase moving forward as the School continues to focus on strong operations.

Liabilities include payroll and related liabilities, amounts payable to vendors for goods and services, advanced revenues that have not yet met the eligibility requirement, lease obligations, long-term debt, accrued interest, and net pension liability. Total liabilities decreased approximately \$436,000 from prior year, driven primarily by a decrease in long-term debt being paid down as well as a decrease in net pension liability.

Spokane International Academy
Management Discussion and Analysis
August 31, 2025

Deferred outflow and inflow of resources relates to pension obligations, which were the result of changes in contributions activity and updates in assumptions.

Total net position decreased as a result of operations and the construction activities as discussed in the statement of activities and above.

Statement of Activities

The following is a summary of the statements of activities for the years ended August 31, 2025 and 2024:

	2025	2024	Change
Revenues			
Operating grants and contributions	\$ 4,365,069	\$ 3,784,908	\$ 580,161
State apportionment	9,318,744	9,721,402	(402,658)
Other	138,455	31,228	107,227
Total revenues	<u>13,822,268</u>	<u>13,537,538</u>	<u>284,730</u>
Expenditures			
Instruction	9,330,295	8,448,506	881,789
Support services	4,040,009	3,832,166	207,843
Interest	780,091	858,445	(78,354)
Total expenditures	<u>14,150,395</u>	<u>13,139,117</u>	<u>1,011,278</u>
Change in Net Position	<u>\$ (328,127)</u>	<u>\$ 398,421</u>	<u>\$ (726,548)</u>

Revenues include operating grants and contributions, state revenues, and other revenues. Operating grants consist of grants from various private organizations, federal, and state special funding sources. Overall, these grants increased approximately \$580,000 from prior year. Revenue from general state apportionment decreased approximately \$403,000 from 2024.

Expenditures are separated into instructions and support services. Instruction relates to the primary teaching mission of the School, while support services include administrative and other operating costs. Instruction expenditures increased approximately \$882,000, support services increased approximately \$208,000, and interest decreased approximately \$78,000 from 2024. These changes were expected as the School continues to grow and strengthen its instruction and support structures.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities. Like other governments, the School uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Spokane International Academy
Management Discussion and Analysis
August 31, 2025

All the funds of the School are considered governmental funds. Governmental funds account for essentially the same functions reported as Governmental Activities on the government-wide financial statements. Most of the School's basic services are reported in these funds, with the focus on how money flows into and out of the funds and what year-end balances remain available for spending.

These funds are reported on the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund statements provide a detailed short-term view of the School's general government operations and the basic services being provided, along with the financial resources available.

The focus of Governmental funds is narrower than that of the Government-wide financial statements, so it is useful to compare the two. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances facilitate this comparison between governmental funds and governmental activities.

Fund balance in the governmental funds as of August 31, 2025, was approximately \$6,301,000 compared to \$7,078,000 in Governmental Activities. This difference is primarily due to capital assets, right-of-use assets, and related debt, as well as pension liability and related deferred inflow and outflows, which are not included in modified accrual accounting.

Changes in fund balances for the year ended August 31, 2025, was approximately \$(271,000) compared to (\$328,000) in Governmental Activities. This difference is primarily due to the pension activity, capital assets, right-of-use assets, and long-term debt activity.

Capital and Right-of-Use Assets

	2025	2024	Change
Land	\$ 1,100,000	\$ 1,100,000	\$ -
Building	10,200,000	10,200,000	-
Building Improvements	11,603,691	11,457,475	146,216
Computers and Equipment	358,908	270,759	88,149
Right-of-Use Assets	155,462	167,552	(12,090)
	<u>23,418,061</u>	<u>23,195,786</u>	<u>222,275</u>
Less Accumulated Depreciation and Amortization	<u>(4,081,469)</u>	<u>(3,075,826)</u>	<u>(1,005,643)</u>
	<u><u>\$ 19,336,592</u></u>	<u><u>\$ 20,119,960</u></u>	<u><u>\$ (783,368)</u></u>

As of August 31, 2025 and 2024, the School had approximately \$19,337,000 and \$20,120,000, respectively, invested in capital and right-of-use assets, including buildings, improvements, computer equipment, construction in progress, and right-of-use assets. More detailed information about the School's capital and right-of-use assets is presented in Note 4 and 5 to the financial statements.

Long-Term Liabilities

Total long-term liabilities, including current portion, consisting of lease obligations, long-term debt, and accrued interest as of August 31, 2025 amounted to approximately \$19,164,000 compared to \$19,423,000 as of August 31, 2024. Additional information on the School's long-term liabilities can be found in Note 6 and 7 of this report.

Compensated absences obligations as of August 31, 2025 and 2024, was approximately \$201,000 and \$0, respectively. More detailed information about the School's compensated absences is presented in Note 11 and 12 to the financial statements.

Budgetary Highlights

The Board of Directors adopts the annual operating budget for the School effective September 1st, consistent with the upcoming school year. The total budgeted revenue for 2025 was approximately \$14,216,000, of which \$14,119,000 was state and federal sources. Final total revenues were approximately \$13,822,000, with state and federal sources being approximately \$1,358,000 under budget, and other sources being approximately \$965,000 over budget.

Instructional expenditures were approximately \$69,000 under budget and support services were approximately \$133,000 over budget.

Economic Outlook

The School continues to focus on student and overall growth as it continues to expand overall operations and make significant facilities improvements.

School management believes the School is well positioned to grow into a strong financial position and to continue to provide excellent service to its students. Management will continue to maintain a close watch over resources and expenses to ensure that the School's finances are sustainable for future growth.

Spokane International Academy

Statement of Net Position

August 31, 2025

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 4,953,216
Restricted cash and cash equivalents	1,387,080
Accounts receivable	72,579
Prepaid expenses and other assets	36,304
Capital assets, net	19,254,012
Right-of-use assets, net	82,580
Net pension asset	<u>270,868</u>
Total assets	<u>26,056,639</u>
Deferred Outflows of Resources Relating to pensions	<u>1,751,753</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 27,808,392</u></u>
Liabilities	
Accounts payable	\$ 136,773
Accrued expenses	11,591
Accrued interest	138,450
Long-term debt, due within one year	285,000
Lease obligations, due within one year	44,033
Compensated absences, due within one year	88,707
Long-term debt	18,653,830
Lease obligations	42,192
Compensated absences	111,833
Net pension liability	<u>619,993</u>
Total liabilities	<u>20,132,402</u>
Deferred Inflows of Resources Relating to pensions	<u>597,858</u>
Net Position	
Net investment in capital assets	173,087
Restricted for debt service	1,387,080
Restricted for net pension asset	270,868
Unrestricted	<u>5,247,097</u>
Total net position	<u>7,078,132</u>
Total Liabilities, Deferred Inflow of Resources, and Net Position	<u><u>\$ 27,808,392</u></u>

Spokane International Academy
Statement of Activities
Year Ended August 31, 2025

Functions / Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue Changes in Net Position
Governmental Activities			
Instruction	\$ 9,330,295	\$ 2,139,345	\$ (7,190,950)
Support services	4,040,009	2,225,724	(1,814,285)
Interest expense	780,091	-	(780,091)
Total governmental activities	<u>\$ 14,150,395</u>	<u>\$ 4,365,069</u>	<u>(9,785,326)</u>
General Revenues			
State apportionment			9,318,744
Other revenue			138,455
Change in Net Position			(328,127)
Net Position - Beginning, as previously reported			7,583,881
Adjustments, Note 10			(177,622)
Net Position, Beginning, as restated			<u>7,406,259</u>
Net Position, End of Year			<u>\$ 7,078,132</u>

Spokane International Academy

Balance Sheet – Governmental Funds

August 31, 2025

	General Fund	Debt Service Fund	Total
Assets			
Cash and cash equivalents	\$ 4,953,216	\$ -	\$ 4,953,216
Restricted cash and cash equivalents	-	1,387,080	1,387,080
Accounts receivable	72,579	-	72,579
Prepaid expenses and other assets	36,304	-	36,304
Total assets	\$ 5,062,099	\$ 1,387,080	\$ 6,449,179
Liabilities			
Accounts payable	136,773	\$ -	\$ 136,773
Accrued expenses	11,591	-	11,591
Total liabilities	148,364	-	148,364
Fund Balance			
Nonspendable	36,304	-	36,304
Restricted for debt service	-	1,387,080	1,387,080
Unassigned	4,877,431	-	4,877,431
Total fund balance	4,913,735	1,387,080	6,300,815
Total liabilities and fund balance	\$ 5,062,099	\$ 1,387,080	\$ 6,449,179

Spokane International Academy
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
August 31, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balance - total governmental funds	\$ 6,300,815
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of the following:</p>	
Cost of capital assets	23,262,599
Accumulated depreciation	(4,008,587)
Right-of-use assets	155,462
Accumulated amortization	(72,882)
Net pension asset is a long-term asset which is not recongized on the governmental statements.	270,868
Deferred outflows of resources related to pension accruals not reported in the funds.	1,751,753
<p>Long-term liabilities, applicable to governmental activities are not due and payable in the current period and therefore are not reported as fund liabilities. These liabilities consist of the:</p>	
Long-term debt	(17,750,000)
Accrued interest	(138,450)
Bond premium	(1,188,830)
Lease obligations	(86,225)
Compensated absences	(200,540)
Net pension liability	(619,993)
Deferred inflows of resources related to pension accruals not reported in the funds.	(597,858)
Total net position of governmental activities	\$ 7,078,132

Spokane International Academy
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended August 31, 2025

	General Fund	Debt Service Fund	Total
Revenues			
State apportionment, general purpose	\$ 9,318,744	\$ -	\$ 9,318,744
State apportionment, special purpose	2,513,380	-	2,513,380
Federal grants and contracts	928,667	-	928,667
Grants and contributions	923,022	-	923,022
Other	138,380	75	138,455
Total revenues	13,822,193	75	13,822,268
Expenditures			
Instructional			
Basic education	6,687,890	-	6,687,890
Special education	1,418,206	-	1,418,206
Compensatory education	757,430	-	757,430
Other	138,306	-	138,306
Total instructional	9,001,832	-	9,001,832
Support Services			
Distict-wide support	2,384,446	24	2,384,470
School food services	635,728	-	635,728
Pupil transportation	677,161	-	677,161
Debt service payments - principal	-	270,000	270,000
Debt service payments - interest	-	841,500	841,500
Lease payments - principal	44,343	-	44,343
Lease payments - interest	3,838	-	3,838
Capital outlay	234,365	-	234,365
Capital outlay - leases	116,418	-	116,418
Total support services	4,096,299	1,111,524	5,207,823
Total expenditures	13,098,131	1,111,524	14,209,655
Other Financing Sources			
Leases	116,418	-	116,418
Transfers in	-	1,142,200	1,142,200
Transfers out	(1,142,200)	-	(1,142,200)
Net Change in Fund Balances	(301,720)	30,751	(270,969)
Fund Balances, Beginning of Year	5,215,455	1,356,329	6,571,784
Fund Balances, End of Year	\$ 4,913,735	\$ 1,387,080	\$ 6,300,815

See Notes to Financial Statements

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Spokane International Academy

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Year Ended August 31, 2025

Net change in fund balances - total governmental funds \$ (270,969)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	234,365
Depreciation expense	(1,086,826)
Amortization expense	(47,325)

Repayment of principal on long-term debt and lease obligations is an expenditure in the governmental funds but reduces the liability in the statement of net position. 314,343

Change in interest accrued on long-term debt reduces expenditures in the statement of activities, but has no impact on governmental funds. 1,800

Amortization of bond premium reduces expenditures in the statement of activities, but has no impact on the governmental funds. 59,609

Pension expense related to changes in the deferred outflows, net pension liability, and deferred inflows. 489,794

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the net change in the liability for the year. (22,918)

Change in Net Position of Governmental Activities \$ (328,127)

Note 1 - Summary of Significant Accounting Policies**Entity and Charter**

Spokane International Academy (the School) is organized as a nonprofit corporation providing public charter school educational services as authorized by Section 392 of Washington Code.

Washington Code requires charter schools to comply with the same government reporting requirements imposed on traditional public school districts, i.e. – on a governmental, rather than nonprofit, basis of accounting. Additionally, enabling legislation creates charter schools as public entities, i.e. – as public schools, subject to provisions common with other governmental entities as set forth in Washington Code. Accordingly, the School’s basis of presentation follows the governmental, rather than nonprofit, reporting model.

Financial Reporting Entity

The accompanying financial statements present the activities of the School. The School receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the School is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are volunteers and have decision-making authority, the power to designate management, the ability to significantly influence operation, and the primary accountability for fiscal matters. These financial statements present the School and its blended component unit.

Blended Component Unit

Spokane International Academy – Magnesium, LLC was created in February 2021 to hold capital assets in support of the School, and is 100% owned by the School. Spokane International Academy – Magnesium, LLC is a blended component unit of Spokane International Academy, and is governed by its own Board of Directors.

Basis of Presentation

The School follows Governmental Accounting Standards Board (GASB) in determining the reporting entity and component units. The financial reporting entity consists of the primary government and the blended component unit. Accordingly, the financial statements include all funds, and agencies of the primary government whose budgets are controlled or whose boards are appointed by the School’s Board of Directors.

The accounts of the School are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the financial activities of the School. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through intergovernmental revenues and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School's governmental activities.

- Direct expenses - those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses - expenses of the general government related to the administration and support of the School's programs, such as personnel and accounting, are allocated to programs based on their percentage of total primary government expenses.
- Program revenues - include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the School's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

- General Fund: This is the School's primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund.
- Debt Service Fund: Accounts for assets set aside to make debt service payments.

Basis of Accounting

The Government-Wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the School receives value without directly giving equal value in return, include state apportionment, grants, and donations. Revenue from state apportionment, grants, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with an original maturity of three months or less.

Restricted Cash and Cash Equivalents

In accordance with bond restrictions, the School is obligated to separately hold cash amounts sufficient to satisfy the debt reserves and unspent bond proceeds.

Accounts Receivable

Accounts receivable consists of amounts due from federal and state sources in connection with various grants and contracts.

Prepaid Expenses

Prepaid balances are for payments made by the School in the current year to provide services occurring in the subsequent year, or for supplies to be used in the subsequent year, and the reserve for these balances has been recorded to signify that a portion of the fund balance is not available for other subsequent expenditures.

Capital and Right-of-Use Assets

Capital assets are stated at cost when purchased or constructed, or if donated, at the estimated acquisition value at the date of the gift. The School's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Renovations and improvements to buildings that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from 5 to 40 years.

Right-of-use leased assets are recognized at the lease commencement date and represent the School's right to use an underlying asset for the lease term. Right-of-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-of-use leased assets are amortized over the shorter of the lease term or useful lives of the underlying asset using the straight-line method. The amortization period on the leases ranges from approximately 3-5 years.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses represent payroll and operating liabilities that will be paid in the next billing cycle.

Lease Obligations

Lease obligations represent the School's obligation to make lease payments arising from its leases. These liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on an incremental borrowing rate determined by the School.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the various pension plans and additions to/deducted from the fiduciary net position have been determined on the same basis as they are reported by the Base Plans. For this purpose, 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The School's deferred outflows and inflows relate to the net pension asset and liability.

Fund Balances and Net Position

Fund balances of the governmental funds are classified as follows:

- Nonspendable fund balance – amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. This consists of prepaid expenses.
- Restricted fund balance – amounts that can be spent only for specific purposes because of the School sponsoring organization, state or federal laws or externally imposed conditions by grantors or creditors. This consists of amounts restricted for debt service, as well as funds collected from the state that have not been expended for the required purpose.

Spokane International Academy

Notes to Financial Statements

August 31, 2025

- Committed fund balance – amounts constrained to specific purposes by the School itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the School takes the same highest-level action to remove or change the constraint. The School did not have any committed fund balance at August 31, 2025.
- Assigned fund balance – amounts the School intends to use for a specified purpose. Intent can be expressed by the Board of Directors or by a principal if the Board of Directors delegates the authority. The School did not have any assigned fund balance at August 31, 2025.
- Unassigned fund balance – amounts that are available for any purpose.

It is the School's intent that when an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, the School applies restricted fund balance first. When an expenditure is incurred for purposes for which restricted, committed, assigned, and unassigned fund balances are available, the School applies restricted fund balance, then committed fund balance, then assigned fund balance, and then unassigned fund balances.

Net position is the difference between the School's total assets and deferred outflows and total liabilities and deferred inflows. Net position is subdivided into three categories: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets represents capital and right-of-use assets, less accumulated depreciation and amortization, and outstanding principal of capital asset related debt, plus unspent bond proceeds. Net position subject to restrictions by external parties is categorized as restricted. This category represents net pension asset, restricted cash for unspent bond proceeds, and funds collected from the state that have not been expended for the required purpose.

Revenues

Entitlements and shared revenues (which include state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier, if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria has been met.

Other revenues become measurable and available when the transaction occurs and cash is received by the School and are recognized as revenue at that time.

Income Taxes

The School is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the School may recognize tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2025. The School files a Form 990 in the U.S. federal jurisdiction.

Adoption of New Standard

As of September 1, 2024, the School adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 12.

As of September 1, 2024, the School adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure.

Note 2 - Deposits and Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The School maintains the majority of its cash balances in two financial institutions in Spokane, Washington. As of August 31, 2025, the carrying amount of the School's deposits was \$6,340,296, and the respective bank balances totaled \$6,640,286. Of the total bank balance, \$501,979 was covered by federal depository insurance, \$5,098,697 was covered by Washington State Deposit Protection, and \$1,039,610 was uninsured. The School has chosen large, stable, and reputable financial institutions to mitigate risk.

Note 3 - Interfund

Transfers between funds support various programs in accordance with budgetary authorizations and resources for payment of debt services. There was an interfund transfer from the general fund to the debt service fund in the amount of \$1,142,200 during the year ended August 31, 2025.

Spokane International Academy

Notes to Financial Statements

August 31, 2025

Note 4 - Capital Assets

Capital asset activity for the year ended August 31, 2025, is as follows:

Governmental Activities	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000
Total capital assets, not being depreciated	<u>1,100,000</u>	<u>-</u>	<u>-</u>	<u>1,100,000</u>
Capital assets, being depreciated				
Building	10,200,000	-	-	10,200,000
Building improvements	11,457,475	146,216	-	11,603,691
Computers and equipment	270,759	88,149	-	358,908
Total capital assets, being depreciated	<u>21,928,234</u>	<u>234,365</u>	<u>-</u>	<u>22,162,599</u>
Less accumulated depreciation	<u>(2,921,761)</u>	<u>(1,086,826)</u>	<u>-</u>	<u>(4,008,587)</u>
Total capital assets, net	<u>\$ 20,106,473</u>	<u>\$ (852,461)</u>	<u>\$ -</u>	<u>\$ 19,254,012</u>

Depreciation expense totaled \$753,108 and \$333,718, charged to instruction and support services, respectively, for the year ended August 31, 2025.

Note 5 - Right-of-Use Assets

Right-of-use asset activity for the year ended August 31, 2025 is as follows:

Governmental Activities	Beginning Balance	Additions	Retirements	Ending Balance
Right-Of-Use Assets				
Office space	\$ 128,508	\$ 116,418	\$ (128,508)	\$ 116,418
Copiers	39,044	-	-	39,044
Total right-of-use assets	<u>167,552</u>	<u>116,418</u>	<u>(128,508)</u>	<u>155,462</u>
Less accumulated amortization	<u>(154,065)</u>	<u>(47,325)</u>	<u>128,508</u>	<u>(72,882)</u>
	<u>\$ 13,487</u>	<u>\$ 69,093</u>	<u>\$ -</u>	<u>\$ 82,580</u>

Amortization expense totaled \$47,325 charged to support services for the year ended August 31, 2025.

Spokane International Academy
Notes to Financial Statements
August 31, 2025

Note 6 - Long-Term Debt

Long-term debt activity for the year ended August 31, 2025 is as follows:

	<u>Beginning Balance</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Series 2021A Revenue bonds, interest ranging from 3.50%-5.00% maturity in August 2056	\$ 18,020,000	\$ (270,000)	\$ 17,750,000	\$ 285,000
Bond premium	<u>1,248,439</u>	<u>(59,609)</u>	<u>1,188,830</u>	<u>-</u>
Total long-term liabilities	<u>\$ 19,268,439</u>	<u>\$ (329,609)</u>	<u>\$ 18,938,830</u>	<u>\$ 285,000</u>

Future payments on long-term debt are as follows:

<u>Years Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 285,000	\$ 830,700	\$ 1,115,700
2027	295,000	819,300	1,114,300
2028	305,000	807,500	1,112,500
2029	320,000	795,300	1,115,300
2030	330,000	782,500	1,112,500
2031-2035	1,875,000	3,702,500	5,577,500
2036-2040	2,270,000	3,296,900	5,566,900
2041-2045	2,820,000	2,749,250	5,569,250
2046-2050	3,600,000	1,970,000	5,570,000
2051-2055	4,590,000	975,750	5,565,750
2056	<u>1,060,000</u>	<u>53,000</u>	<u>1,113,000</u>
Total minimum obligations	<u>\$ 17,750,000</u>	<u>\$ 16,782,700</u>	<u>\$ 34,532,700</u>

In March 2021, the School issued Nonprofit Revenue Bonds, Series 2021 in the amount of \$18.6 million. The proceeds from the bonds were used for capital construction. Future payments on the bonds will be paid utilizing rental payments paid from Spokane International Academy to Spokane International Academy – Magnesium, LLC.

The Revenue Bonds contain certain covenants including days cash on hand of 60 days and a coverage ratio not less than 1.1:1.0. Remedies for noncompliance with these covenants vary depending on the severity of the noncompliance. The School has a coverage ratio of 1.01:1.00 for the year ended August 31, 2025. The remedy for a coverage ratio of 1.01:1.00 is that the School shall promptly employ an Independent Consultant to review and analyze the operations and administration of the School, submit to the School and the Bond Trustee written reports, and make such recommendations as to the operation and administration of the School as such Independent Consultant deems appropriate, including any recommendation as to a revision of the methods of operation of the School.

Spokane International Academy

Notes to Financial Statements

August 31, 2025

Note 7 - Lease Obligations

Spokane International Academy leases office space under a long-term lease through 2027. The lease calls for escalating payments through the lease, ranging from \$3,250 to \$3,583. Spokane International Academy used an interest rate of 3.5% for this lease, which is based on Spokane International Academy's incremental borrowing rate at the inception of the lease.

Spokane International Academy has entered into a master copier lease through 2026. Spokane International Academy uses an interest rate of 3.25% for this lease, which is based on Spokane International Academy's incremental borrowing rate at the inception of the lease.

Lease obligation activity for the year ended August 31, 2025 is as follows:

	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
Office Space Leases	\$ -	\$ 116,418	\$ (35,491)	\$ 80,927	\$ 38,735
Copier Leases	14,150	-	(8,852)	5,298	5,298
Total lease obligations	<u>\$ 14,150</u>	<u>\$ 116,418</u>	<u>\$ (44,343)</u>	<u>\$ 86,225</u>	<u>\$ 44,033</u>

Future payments on lease obligations are as follows:

Years Ending August 31,	Principal	Interest	Total
2025	\$ 44,033	\$ 2,273	\$ 46,306
2026	42,192	804	42,996
	<u>\$ 86,225</u>	<u>\$ 3,077</u>	<u>\$ 89,302</u>

Note 8 - Pension Plans**General Information**

The State of Washington Legislature has established various pension plans for employees in Washington State. These plans include:

- Public Employees' Retirement System (PERS) – established in chapters 41.34 and 41.40 Revised Code of Washington (RCW)
- School Employee's Retirement System (SERS) – established in chapters 41.34 and 41.35 RCW
- Teachers' Retirement System (TRS) – established in chapters 41.32 and 41.34 RCW

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

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

Detailed information about the pension plans' fiduciary net position is available in the separately issued DRS 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 <http://www.drs.wa.gov>.

Administration

Substantially all the School's full-time and qualifying part-time employees participate in TRS or SERS, which are contributory, multi-employer, cost-sharing statewide retirement systems managed by the Washington State DRS. While the School does not have any members who participate in PERS, the School is allocated a proportionate share of liability or asset for the plans as required by the State of Washington Legislature.

PERS

PERS is composed of and reported as 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. The school does not have any members or share of liability in plans 2/3 and 3.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are calculated as 2% times the member's Average Final Compensation (AFC) times the member's years of service. AFC is the average of the member's 24 consecutive highest-paid service credit 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 the age of 65 may also receive actuarially reduced benefits. Other benefits include duty and nonduty disability payments, an optional Cost-of-Living Adjustment (COLA), and a duty-related death benefit, if the Washington State Department of Labor & Industries determines the member eligible.

SERS

SERS is composed 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 employees can be a member of only 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 Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

SERS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits for Plan 2 are calculated as 2% times the member's AFC times the member's years of service for Plan 2. Retirement 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 duty and nonduty disability payments; a COLA based on the Consumer Price Index, capped at 3% annually; and a duty-related death benefit, if the Washington State Department of Labor & Industries determines the member eligible.

TRS

TRS is composed 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 be a member of only 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 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 the terms of the plans define. Therefore, Plan 2/3 is considered 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 AFC times the member's years of service up to a maximum of 60%. AFC is the average of the member's 24 consecutive highest-paid service credit months.

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

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Notes to Financial Statements

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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 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 contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity.

Contributions

The employer contribution rates for PERS, TRS, and SERS (Plans 1, 2, and 3) and the TRS and SERS Plan 2 employee contribution rates are established by the Pension Funding Council based upon the rates set by the Legislature. The employee contribution rate for Plan 1 in PERS and TRS is set by statute at 6 percent and does not vary from year to year. The employer rate is the same for all plans in a system. The methods used to determine the contribution requirements are established under chapters 41.40, 41.32, and 41.35 RCW for PERS, TRS and SERS, respectively.

Employee contribution rates, expressed as a percentage of payroll covered for 2025 were as follows:

<u>Plan</u>	<u>Rate</u>
PERS 1	6.00%
SERS 2	7.76%
SERS 3	N/A
TRS 1	6.00%
TRS 2	8.06%
TRS 3	N/A

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Notes to Financial Statements
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Employer contribution rates, expressed as a percentage of payroll covered for 2025 were as follows:

<u>Plan</u>	<u>Rate</u>
PERS 1	9.11%
SERS 2/3	10.51%
TRS 1	9.86%
TRS 2/3	9.86%

Note: The DRS administrative rate of 0.20% is included.

Under current law the employer must contribute 100 percent of the employer-required contribution. Employer required contributions in dollars:

<u>Plan</u>	<u>Contributions</u>
PERS 1	\$ 45,424
SERS 2/3	136,663
TRS 1	79,423
TRS 2/3	417,164

Collective Net Pension Liability (Asset)

The collective net pension liabilities (assets) for the pension plans the School participated in are reported in the following tables. Net Pension Liability (Asset) as of June 30, 2025:

	<u>PERS 1</u>	<u>SERS 2/3</u>	<u>TRS 1</u>	<u>TRS 2/3</u>
Total pension liability	\$ 10,789,754,000	\$ 11,005,685,000	\$ 7,987,466,000	\$ 29,865,548,000
Plan fiduciary net position	(9,610,758,000)	(11,250,334,000)	(7,037,456,000)	(30,138,755,000)
Participating employers' net pension liability (asset)	1,178,996,000	(244,649,000)	950,010,000	(273,207,000)
Plan fiduciary net position as a percentage of the total pension liability	89.07%	102.22%	88.11%	100.91%

The School's Proportionate Share of the Net Pension Liability (NPL) and Net Pension Asset (NPA)

At August 31, 2025, the School reported a total liability of \$619,993 and a total asset of \$270,868 for its proportionate shares of the individual plans' collective net pension amounts. The School's proportionate share of the collective net pension amounts is based on annual contributions for each of the employers participating in the DRS administered plans.

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Notes to Financial Statements

August 31, 2025

At August 31, 2025, the School's proportionate share of each plan's net pension liability (asset) is reported below:

August 31, 2025	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Proportionate share of Net Pension Liability (Asset)	0.008238%	0.048737%	0.055038%	0.055501%
	\$ 97,126	\$ (119,235)	\$ 522,867	\$ (151,633)

At August 31, 2025, the School's proportionate share of each plan's net pension liability (asset) is reported below:

August 31, 2024	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Proportionate share of Net Pension Liability (Asset)	0.007393%	0.041538%	0.054311%	0.049884%
	\$ 131,362	\$ (14,055)	\$ 602,470	\$ 99,963

Actuarial Assumptions

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

The total pension liabilities for PERS 1, SERS 2/3, TRS 1, and TRS 2/3 were determined by actuarial valuation as of June 30, 2024, with the results rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	2.75% total economic inflation, 3.25% salary inflation
Salary increase	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 were developed using the Society of Actuaries' Pub.H-2010 Mortality rates, which vary by member status (active, retiree, or survivor), as the base table. The Office of the State Actuary (OSA) applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of the 2013-2018 Demographic Experience Study Report and the 2023 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2024 actuarial valuation report.

Long-Term Expected Rate of Return

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

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

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

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

The Office of the State Actuary (OSA) selected a 7.00% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered CMAs and simulated expected investment returns the WSIB provided.

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, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed income	19.00%	2.10%
Tangible assets	8.00%	4.50%
Real estate	18.00%	4.80%
Global equity	30.00%	5.60%
Private equity	25.00%	8.60%

The inflation component used to create the above table is 2.50%, and represents Washington State Investment Board's (WSIB) most recent long-term estimate of broad economic inflation consistent with their 2023 CMAs.

For additional information and background on OSA's development of the long-term rate of return assumption, please see the 2023 Report on Financial Condition and Economic Study located on the OSA website. The selection of this assumption and economic experience studies are further detailed in the DRS ACFR Actuarial Certification Letter.

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Notes to Financial Statements

August 31, 2025

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 our Certification Letter, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.00% on pension plan investments was applied to determine the total pension liability.

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

The Pension Plans reported collective Deferred Outflows of Resources and collective Deferred Inflows of Resources related to the individual plans. At August 31, 2025, the School reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PERS 1		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 6,677
	<u>\$ -</u>	<u>\$ 6,677</u>
SERS 2/3		
Difference between expected and actual experiences	\$ 209,865	\$ -
Net difference between projected and actual earnings on pension plan investments	-	67,651
Changes in assumptions or other inputs	92,065	476
Changes in proportion and differences between contributions and proportionate share of contributions	4,307	57,330
Contributions subsequent to the measurement date	29,413	-
	<u>\$ 335,650</u>	<u>\$ 125,457</u>
TRS 1		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 32,347
	<u>\$ -</u>	<u>\$ 32,347</u>

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Spokane International Academy
Notes to Financial Statements
August 31, 2025

TRS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$ 804,398	\$ 6,860
Net difference between projected and actual earnings on pension plan investments	-	209,347
Changes in assumptions or other inputs	497,750	27,159
Changes in proportion and differences between contributions and proportionate share of contributions	35,475	190,011
Contributions subsequent to the measurement date	78,480	-
	\$ 1,416,103	\$ 433,377

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense (benefit) as follows:

Years Ended August 31,	PERS 1	SERS 2/3	TRS 1	TRS 2/3
2026	\$ 6,371	\$ 116,784	\$ 32,505	\$ 283,680
2027	(4,641)	40,714	(22,688)	90,858
2028	(4,820)	12,999	(24,470)	76,121
2029	(3,587)	2,797	(17,694)	84,743
2030	-	7,486	-	141,864
Thereafter	-	-	-	226,980

Pension Expense

The School recognizes a pension expense for its proportionate share of the collective pension expense. This is determined by using the School's proportionate share of the collective net pension liability. For the year ending August 31, 2025, the School recognized a total pension benefit as follows:

PERS 1	\$ (38,070)
SERS 2/3	(81,868)
TRS 1	(103,995)
TRS 2/3	(265,861)
	\$ (489,794)

Spokane International Academy

Notes to Financial Statements

August 31, 2025

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

The table below presents the School's proportionate share of the net pension liability (asset) as of August 31, 2025, calculated using the discount rate of 7.00%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate. Amounts are calculated by plan using the School's allocation percentage.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
PERS 1 Net Pension Liability	\$ 163,890	\$ 97,126	\$ 38,572
SERS 2/3 Net Pension Liability (Asset)	634,200	(119,235)	(739,354)
TRS 1 Net Pension Liability	847,431	522,867	237,496
TRS 2/3 Net Pension Liability (Asset)	2,549,199	(151,633)	(2,346,246)

Historical trend information showing TRS and PERS progress in accumulating sufficient assets to pay benefits when due is presented in the State of Washington's June 30, 2025 annual comprehensive financial report (ACFR). Refer to this report for detailed trend information.

Payables to the Pension Plans

At August 31, 2025, the School reported no payables to the defined benefit pension plans for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to the plans.

Note 9 - Concentrations

The School's principal source of support is state based support revenue, including federal funds passed through the state. For the year ended August 31, 2025, the state based support revenue accounted for approximately 92% of all revenues.

Note 10 - Risk Management

Spokane International Academy, in the normal course of its activities, may be involved in various claims and pending litigation. In the opinion of management, the disposition of these matters is not expected to have a material adverse effect on School's financial statements.

Spokane International Academy

Notes to Financial Statements

August 31, 2025

Note 11 - Compensated Absences

Spokane International Academy provides paid time off (PTO) benefits to employees, which include personal leave and sick leave. No types of leave have a payout if terminated. Personal leave accruals are paid out at the end of the fiscal year and do not carry over. Full time employees earn 56 hours of sick leave per year, which is carried over year over year with no limit.

The liability for compensated absences is determined based on accumulated sick leave balances at year-end, applying current pay rates for all eligible employees. In addition, historical usage patterns are considered to estimate the amount that will ultimately be paid.

Compensated absences activity for the year ended August 31, 2025 is as follows:

	Beginning Balance, as restated	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences*	\$ 177,622	\$ 22,918	\$ -	\$ 200,540	\$ 88,707

* The roll-forward schedule only reports the net change in the compensated absences liability.

Note 12 - Restatement

As of September 1, 2024, the School adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, compensated absences current portion and compensated absences noncurrent portion were increased by \$76,562 and \$101,060, respectively, as of September 1, 2024. The effect of this change in accounting principle is described in the table below.

	September 1, 2024, As Previously Reported	Change in Accounting Principle	September 1, 2024, As Restated
Government-Wide Governmental Activities	\$ 7,583,881	\$ (177,622)	\$ 7,406,259

Required Supplementary Information
August 31, 2025

Spokane International Academy

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Spokane International Academy

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund
Year Ended August 31, 2025

	Budget Original and Final	Actual	Variance
Revenues			
State apportionment, general purpose	\$ 10,436,363	\$ 9,318,744	\$ (1,117,619)
State apportionment, special purpose	2,453,768	2,513,380	59,612
Federal grants and contracts	1,229,066	928,667	(300,399)
Grants and contributions	-	923,022	923,022
Other	96,500	138,380	41,880
Total revenues	14,215,697	13,822,193	(393,504)
Expenditures			
Instructional			
Basic education	6,546,461	6,687,890	141,429
Special education	1,327,793	1,418,206	90,413
Compensatory education	1,108,418	757,430	(350,988)
Other	87,917	138,306	50,389
Total instructional	9,070,589	9,001,832	(68,757)
Support Services			
District-wide support	2,190,450	2,432,627	242,177
School food services	622,494	635,728	13,234
Pupil transportation	659,845	677,161	17,316
Capital outlay	490,400	350,783	(139,617)
Total support services	3,963,189	4,096,299	133,110
Total expenditures	13,033,778	13,098,131	64,353
Other Financing Sources			
Leases	-	116,418	116,418
Transfers out	(1,161,500)	(1,142,200)	19,300
Net Change in Fund Balances	\$ 20,419	\$ (301,720)	\$ (322,139)

Spokane International Academy
Schedule of Employer's Share of Net Pension Liability/(Asset)
Last Ten Fiscal Years*

	As of the measurement date of June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
PERS 1								
Employer's proportionate share of the net pension liability	0.008238%	0.007393%	0.006534%	0.006333%	0.005088%	0.003821%	0.003698%	0.004572%
Employer's proportion share of the net pension liability	\$ 97,126	\$131,362	\$ 149,154	\$ 176,334	\$ 62,136	\$ 134,902	\$ 142,201	\$ 204,187
Employer's covered payroll	\$ 1,661,326	\$1,389,267	\$ 1,217,058	\$ 1,036,223	\$ 836,749	\$ 614,484	\$ 557,204	\$ 692,182
Employer's proportional share of the net pension liability as a percentage of its covered payroll	5.8%	9.5%	12.3%	17.0%	7.4%	22.0%	25.5%	33.0%
Plan fiduciary net position as a percentage of the total pension liability	89.1%	84.1%	80.2%	88.7%	68.6%	67.1%	63.2%	61.2%
SERS 2/3								
Employer's proportionate share of the net pension liability	0.048737%	0.041538%	0.037118%	0.034051%	0.030671%	0.021852%	0.021453%	0.028026%
Employer's proportion share of the net pension liability (asset)	\$ (119,235)	(14,055)	\$ (53,132)	\$ (91,478)	\$ (329,314)	\$ 116,245	\$ 50,307	\$ 83,815
Employer's covered payroll	\$ 1,661,326	1,389,267	\$ 1,217,058	\$ 1,036,223	\$ 836,749	\$ 614,484	\$ 557,204	\$ 692,182
Employer's proportional share of the net pension liability as a percentage of its covered payroll	-7.2%	-1.0%	-4.4%	-8.8%	-39.4%	18.9%	9.0%	21.1%
Plan fiduciary net position as a percentage of the total pension liability	102.2%	100.3%	101.5%	103.2%	114.2%	92.4%	96.3%	94.8%
TRS 1								
Employer's proportionate share of the net pension liability	0.055038%	0.054311%	0.048636%	0.039776%	0.031986%	0.027064%	0.028517%	0.028278%
Employer's proportion share of the net pension liability	\$ 522,867	\$602,470	\$ 615,983	\$ 756,472	\$ 215,361	\$ 651,914	\$ 706,025	\$ 825,885
Employer's covered payroll	\$ 4,817,057	\$4,405,727	\$ 4,273,255	\$ 3,297,359	\$ 2,429,103	\$ 2,004,133	\$ 2,008,314	\$ 927,536
Employer's proportional share of the net pension liability as a percentage of its covered payroll	10.9%	13.7%	14.4%	22.9%	8.9%	32.5%	35.2%	51.2%
Plan fiduciary net position as a percentage of the total pension liability	88.1%	86.5%	85.1%	78.2%	91.4%	70.6%	70.4%	66.5%
TRS 2/3								
Employer's proportionate share of the net pension liability	0.055501%	0.049884%	0.048832%	0.039953%	0.032151%	0.027551%	0.028862%	0.028761%
Employer's proportion share of the net pension liability (asset)	\$ (151,633)	99,963	\$ (59,973)	\$ (78,622)	\$ (883,769)	\$ 423,178	\$ 173,903	\$ 129,457
Employer's covered payroll	\$ 4,817,057	4,405,727	\$ 4,273,255	\$ 3,297,359	\$ 2,429,103	\$ 2,004,133	\$ 2,008,314	\$ 1,781,861
Employer's proportional share of the net pension liability as a percentage of its covered payroll	-3.1%	2.3%	-1.4%	-2.4%	-36.4%	21.1%	8.7%	16.0%
Plan fiduciary net position as a percentage of the total pension liability	100.9%	99.3%	100.5%	100.9%	113.7%	91.7%	96.4%	96.9%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Spokane International

See Notes to Required Supplementary Information

Academy will present information for those years for which information is available. Data reported is measured as of June 30 (measurement date).

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Spokane International Academy
 Schedule of Employer's Contributions
 Last Ten Fiscal Years*

	As of report date of August 31,								
	2025	2024	2023	2022	2021	2020	2019	2018	
PERS 1									
Statutorily required contribution	\$ 45,424	\$ 44,254	\$ 44,522	\$ 38,813	\$ 37,900	\$ 27,689	\$ 26,513	\$ 30,561	
Contributions in relation to the statutorily required contribution	\$ 45,424	\$ 44,254	\$ 44,522	\$ 38,813	\$ 37,900	\$ 27,689	\$ 26,513	\$ 30,561	
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Employer's covered payroll	\$ 1,720,465	\$ 1,444,072	\$ 1,244,682	\$ 1,028,398	\$ 903,590	\$ 701,417	\$ 543,560	\$ 689,384	
Contributions as a percentage of the covered payroll	2.64%	3.06%	3.58%	3.77%	4.19%	3.95%	4.88%	4.43%	
SERS 2/3									
Statutorily required contribution	\$ 136,663	\$ 109,811	\$ 94,236	\$ 73,054	\$ 65,255	\$ 52,536	\$ 55,145	\$ 48,606	
Contributions in relation to the statutorily required contribution	\$ 136,663	\$ 109,811	\$ 94,236	\$ 73,054	\$ 65,255	\$ 52,536	\$ 55,145	\$ 48,606	
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Employer's covered payroll	\$ 1,720,465	\$ 1,444,072	\$ 1,244,682	\$ 1,028,398	\$ 903,590	\$ 701,417	\$ 543,560	\$ 689,384	
Contributions as a percentage of the covered payroll	7.94%	7.60%	7.57%	7.10%	7.22%	7.49%	10.15%	7.05%	
TRS 1									
Statutorily required contribution	\$ 79,423	\$ 121,078	\$ 262,501	\$ 204,109	\$ 175,799	\$ 142,125	\$ 141,621	\$ 117,607	
Contributions in relation to the statutorily required contribution	\$ 79,423	\$ 121,078	\$ 262,501	\$ 204,109	\$ 175,799	\$ 142,125	\$ 141,621	\$ 117,607	
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Employer's covered payroll	\$ 4,878,035	\$ 4,491,210	\$ 4,341,179	\$ 3,510,532	\$ 2,517,304	\$ 2,044,851	\$ 2,062,820	\$ 1,800,289	
Contributions as a percentage of the covered payroll	1.63%	2.70%	6.05%	5.81%	6.98%	6.95%	6.87%	6.53%	
TRS 2/3									
Statutorily required contribution	\$ 417,164	\$ 318,211	\$ 342,083	\$ 279,797	\$ 172,503	\$ 75,018	\$ 289,067	\$ 136,474	
Contributions in relation to the statutorily required contribution	\$ 417,164	\$ 318,211	\$ 342,083	\$ 279,797	\$ 172,503	\$ 75,018	\$ 289,067	\$ 136,474	
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Employer's covered payroll	\$ 4,878,035	\$ 4,491,210	\$ 4,341,179	\$ 3,510,532	\$ 2,517,304	\$ 2,044,851	\$ 2,062,820	\$ 1,800,289	
Contributions as a percentage of the covered payroll	8.55%	7.09%	7.88%	7.97%	6.85%	3.67%	14.01%	7.58%	

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Spokane International Academy will present information for those years for which information is available. Data reported is measured as of August 31 (report date).

Pension Plans

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. The actuarial methods and significant assumptions used in these valuations are available in the publicly available actuary reports for the three pension plans.

The Participating Employer Financial Information (PEFI) can be found at:

<https://www.drs.wa.gov/2025-annual-report-newsfeed/>

The Annual Comprehensive Financial Report (ACFR) can be found at:

<https://www.drs.wa.gov/2025-annual-report-newsfeed/>

The Actuarial Valuation can be found at:

<https://leg.wa.gov/media/v4wly3ow/2024avr.pdf>

Basis of Budgetary Accounting

The School's legal budget is prepared on the modified accrual basis of accounting. The Budget and Actual schedules are prepared on the budgetary basis which agrees to Generally Accepted Accounting Principles (GAAP).

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Single Audit Section
August 31, 2025

Spokane International Academy

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Independent Auditor's 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

To the Board of Directors
Spokane International Academy
Spokane, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of Spokane International Academy as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise Spokane International Academy's basic financial statements and have issued our report thereon dated **DATE**.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Spokane International Academy'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 Spokane International Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Spokane International Academy'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 Spokane International Academy'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 in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Spokane International Academy'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 Spokane International Academy'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 Spokane International Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Spokane, Washington

DATE

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Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Spokane International Academy
Spokane, Washington

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Spokane International Academy's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Spokane International Academy's major federal program for the year ended August 31, 2025. Spokane International Academy's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Spokane International Academy complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended August 31, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Spokane International Academy 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of Spokane International Academy's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Spokane International Academy'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 Spokane International Academy'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 material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 judgment made by a reasonable user of the report on compliance about Spokane International Academy's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- 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 Spokane International Academy'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 Spokane International Academy'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 Spokane International Academy's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Spokane, Washington

DATE

Spokane International Academy
 Schedule of Expenditures of Federal Awards
 Year Ended August 31, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
<u>Pass-Through Programs</u>			
Washington Office of Superintendent of Public Instruction			
Title I Grants to Local Educational Agencies	84.010	S010A230047	\$ 281,153
Supporting Effective Instruction State Grants	84.367	S358B230047	22,084
Student Support and Academic Enrichment Program	84.424	S424A230049	19,587
Special Education Cluster			
Special Education Grants to States	84.027	H027A230074	<u>125,854</u>
Total U.S. Department of Education			<u>448,678</u>
U.S. Department of Agriculture			
<u>Pass-Through Programs</u>			
Washington Office of Superintendent of Public Instruction			
Child Nutrition Cluster			
School Breakfast Program	10.553	160165	104,115
Commodities	10.555	Unknown	73,182
National School Lunch Program	10.555	160165	<u>238,837</u>
Total Child Nutrition Cluster			<u>416,134</u>
Child Nutrition Discretionary Grants Limited Availability	10.579	FP472	45,617
Total U.S. Department of Agriculture			<u>461,751</u>
Total federal financial assistance			<u>\$ 910,429</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Spokane International Academy under programs of the federal government for the year ended August 31, 2025. The information is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the Spokane International Academy, it is not intended to and does not present the financial position, changes in fund balance or net position of Spokane International Academy.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

Spokane International Academy has not elected to use the 10% de minimis cost rate.

Note 4 - Food Donation

Nonmonetary assistance is reported in the SEFA at the fair market value of the commodities received and disbursed.

Spokane International Academy
 Schedule of Findings and Questioned Costs
 Year Ended August 31, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No
Identification of major programs:	Federal Assistance
Name of Federal Program or Cluster	Listing Number
Child Nutrition Cluster	10.553, 10.555
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – Findings – Financial Statement Audit

There were no findings relating to the financial statement audit.

Section III - Findings and Questioned Costs – Major Federal Award Programs Audit

There were no findings reported relating to the major federal award programs audit.

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Coversheet

Academic Performance Framework

Section: VII. Head of School Update
Item: A. Academic Performance Framework
Purpose: Discuss
Submitted by:
Related Material: Draft SIA 2024-25 Academic Framework.pdf

Spokane International Academy

2024-25 ANNUAL ACADEMIC

PERFORMANCE FRAMEWORK REPORT

by Washington State Charter School Commission



WASHINGTON STATE
Charter School Commission
STUDENTS • INNOVATION • TRANSPARENCY

SCHOOL OVERVIEW

Spokane International Academy

777 E Magnesium Rd, Spokane, WA 99208	
School Contact Information	509-209-8730
School Website	https://www.spokaneintlacademy.org
Neighborhood Location	Mead School District
Leadership	Morgen Flowers-Washington
School Mission	Spokane International Academy empowers its students with the academic skills, habits of mind and global competence necessary to complete advanced courses in high school and a four-year college degree in order to become leaders who can powerfully transform our communities
Education Program Terms & Design Elements	<p>Global Competence: Focus on developing global competence through study of a region of focus (K-4) or in a structured Global Perspectives Course (5-8).</p> <p>Targeted Literacy Interventions: Students participate in daily, targeted literacy interventions based on data collected from multiple sources. Students are grouped according to ability and are challenged appropriately.</p> <p>21st Century Learning Environment: SIA is a 1:1 laptop environment. Students have access to appropriate technology throughout the day to support their academic growth and to instruct them in 21st Century literacy skills (typing, coding, programming, etc.).</p> <p>Inquiry-Based Instruction: Teachers incorporate inquiry-based practices to engage students in deep study and analysis of the content they are learning.</p>
Grades Served	K-12
First Year of Operation	2015-16
Total Student Enrollment	830
Currently Operational	Yes

NOTE: All data in this report are from the 2024-25 school year, including school leadership and contract elements

2024-25 Student Demographics

STUDENT GROUPS

Students with Disabilities	11.9%
Students with 504 plans	6.1%
English Learners	8.9%
Low Income	55.9%

GENDER

Male	53.1%
Female	46.9%
Gender X	0.0%

RACE / ETHNICITY

American Indian / Alaskan Native	0.7%
Asian	5.2%
Black / African American	4.6%
Hispanic / LatinX	14.5%
Native Hawaiian / other Pacific Islander	0.5%
Two or More Races	14.7%
White	59.9%

PURPOSE OF REPORT

The Washington State Charter School Commission is committed to promoting high-quality education for public school students in Washington. This Annual Performance Report was produced to:

- 1 Provide timely information to the charter public school on its performance relative to the standards and expectations established by applicable federal and state law and the charter contract.
- 2 Identify the school’s strengths and any areas needing improvement.
- 3 Provide information that enables the community and the public to understand the school’s performance, including its fulfillment of public obligations.

ACADEMIC PERFORMANCE FRAMEWORK

The Academic Performance Framework (APF) includes measures that allow the Commission to evaluate charter public school academic performance. A charter public school that met these standards implemented its academic program effectively, and student learning—the central purpose of every school—was taking place. The APF contains measures that have been grouped into three indicators:

1. STATE AND FEDERAL ACCOUNTABILITY RESULTS:

Did the charter public school meet performance expectations based on the Washington School Improvement Framework?

2. GEOGRAPHIC COMPARISONS (Assigned School Comparisons):

How did charter public school students perform compared to the traditional public schools that students would otherwise have attended if they did not attend the charter public school?

3. SCHOOL-SPECIFIC ACADEMIC GOALS:

Did the school meet its school specific academic goals?

Academic Performance Framework Outline:

INDICATOR	MEASURE		WEIGHT	
			K-8	HS
1. State Accountability	1a. WA School Improvement Framework (WSIF)	1a.1. Overall Framework Score	25%	25%
		1a.2. Subgroup Framework Score	25%	25%
2. Geographic Comparisons (Assigned School Comparisons)	2a.1. Proficiency (ELA/Math/Science)		5%	5%
	2a.2. Subgroup Proficiency (ELA/Math/Science)		5%	5%
	2b.1. Growth (ELA/Math)		10%	n/a
	2b.2. Subgroup growth (ELA/Math)		10%	n/a
	2c.1. Graduation rate (4-year)		n/a	7.5%
	2c.2. Subgroup graduation rate (4-year)		n/a	7.5%
	2d.1. EL Progress		1.25%	1.25%
	2d.2. Subgroup EL Progress		1.25%	1.25%
	2e.1. Regular Attendance		1.25%	1.25%
	2e.2. Subgroup Regular Attendance		1.25%	1.25%
	2f.1. 9th Graders on Track		n/a	1.25%
	2f.2. Subgroup 9th Graders on Track		n/a	1.25%
	2g.1. Dual Credit		n/a	1.25%
2g.2. Subgroup Dual Credit		n/a	1.25%	
3. School-Specific Goals			15%	15%

Academic performance ratings

The APF measures combine or “roll up” to an overall academic rating. The overall rating helps provide clarity to schools and the public about the school’s academic performance and standing. It helps to ensure consistency in Commission decision-making and supports parents as they navigate their public school options.

Ratings and Tiers

Tier	Rating	Performance
1	Exceeds Standard	School exceeded performance expectations and is on par with the highest-performing schools in the state.
2	Meets Standard	School met performance expectations.
3	Does Not Meet Standard	School showed weakness in one or more academic areas. Possible intervention.
4	Falls Far Below Standard	School failed to meet academic performance expectations. Likely intervention; possible revocation.

NOTE: If a school did not have at least one year of Smarter Balanced Assessment data or if more than one of the four indicators was missing, an overall tier rating was not calculated. If the state did not calculate an overall Washington School Improvement Framework (WSIF) score for the school a tier an overall tier was not calculated.

ACADEMIC PERFORMANCE: 2024-25 School Year

School Overall Tier Rating for 2024-25: **Tier 2 – Meets Standard**

INDICATOR	MEASURE		RATING			WEIGHT	
						K-8	HS
1. State Accountability	1a. WA School Improvement Framework	1a.1. Overall Framework Score	M			25%	25%
		1a.2. Subgroup Framework Score	D			25%	25%
2. Geographic Comparisons (Assigned School Comparisons)	2a.1. Proficiency (ELA/Math/Science)		M	E	E	5%	5%
	2a.2. Subgroup Proficiency (ELA/Math/Science)		E	E	M	5%	5%
	2b.1. Growth (ELA/Math)		M	M		10%	n/a
	2b.2. Subgroup growth (ELA/Math)		M	D		10%	n/a
	2c.1. Graduation rate					n/a	7.5%
	2c.2. Subgroup graduation rate					n/a	7.5%
	2d.1. EL Progress		E			1.25%	1.25%
	2d.2. Subgroup EL Progress		*			1.25%	1.25%
	2e.1. Regular Attendance		M			1.25%	1.25%
	2e.2. Subgroup Regular Attendance		M			1.25%	1.25%
	2f.1. 9th Graders on Track		D			n/a	1.25%
	2f.2. Subgroup 9th Graders on Track		D			n/a	1.25%
	2g.1. Dual Credit		E			n/a	1.25%
	2g.2. Subgroup Dual Credit		E			n/a	1.25%
3. School-Specific Goals	3a. School-Specific Goals		E			15%	15%

NOTES: *Student subgroup data for measure 2d.2 is not required to be reported on by ESSA and is not reported out by OSPI. This indicator will be re-evaluated by the Commission in the future.

- Measures 2a.1., 2a.2., 2b.1., and 2b.2. are weighted evenly by subject.

ACADEMIC PERFORMANCE OVER TIME

INDICATOR	MEASURE		Charter Contract Term				
			Year 1	Year 2	Year 3	Year 4	Year 5
			2021-22	2022-23	2023-24	2024-25	2025-26
1. State Accountability	1a. WA School Improvement Framework	1a.1. Overall	M	M	M	M	
		1a.2. Subgroups	D	M	M	D	
2. Geographic Comparisons (Assigned School Comparisons)	2a.1. Proficiency		E	E	E	E	
	2a.2. Subgroup Proficiency		E	E	E	E	
	2b.1. Growth			E	M	M	
	2b.2. Subgroup growth			E	M	M	
	2c.1. Graduation rate						
	2c.2. Subgroup graduation rate						
	2d.1. EL Progress			D	M	E	
	2d.2. Subgroup EL Progress						
	2e.1. Regular Attendance		M	M	E	M	
	2e.2. Subgroup Regular Attendance		M	M	E	M	
	2f.1. 9th Graders on Track		D	D	D	D	
	2f.2. Subgroup 9th Graders on Track			M	D	D	
	2g.1. Dual Credit			E	E	E	
	2g.2. Subgroup Dual Credit			E	E	E	
3. School-Specific Goals			E	M	M	E	
Overall Tier				2 (Meets)	2 (Meets)	2 (Meets)	

NOTES: *Student subgroup data for measure 2d.2 is not required to be reported on by ESSA and is not reported out by OSPI. This indicator will be re-evaluated by the Commission in the future.

- An overall academic tier is not calculated for schools that do not have a Washington School Improvement Framework (WSIF) score, for schools that do not have at least one year of Smarter Balanced Assessment data, or if one or more of the three indicators is missing.
- Measures 2a.1., 2a.2., 2b.1., and 2b.2. are weighted evenly by subject.

ACADEMIC PERFORMANCE FRAMEWORK INDICATORS

1. STATE ACCOUNTABILITY

1a.1. Overall WA School Improvement Framework Score

1a.2. Subgroup WA School Improvement Framework Score

Is the charter public school meeting performance expectations based on the state accountability system?

E Exceeds Standard: Charter public school receives a Framework Score of 8, 9, or 10.

D Does Not Meet Standard: Charter public school receives a Framework Score of 4 or 5.

M Meets Standard: Charter public school receives a Framework Score of 6 or 7.

F Falls Far Below Standard: Charter public school receives a Framework Score of 1, 2, or 3.

GROUP	SCHOOL PERFORMANCE	RATING
1a.1. All Students	5.7	M
American Indian/Alaskan Native		
Asian	8.3	E
Black/African American	4.1	D
Hispanic/LatinX	5.2	D
Native Hawaiian/ other Pacific Islander		
Two or More Races	6.5	M
White	5.3	D
Students with Disabilities	2.6	F
English Learners	2.3	F
Low Income	4.2	D
1a.2. Overall Subgroups		D

NOTES: Any results not shown were suppressed due to OSPI suppression rules or grades served.

School response:

2. Geographic Comparisons: Assigned School Comparisons (ASC)

Proficiency

2a.1. All Students Proficiency (ELA/Math/Science) Assigned School Comparison

2a.2. Subgroup Proficiency (ELA/Math/Science) Assigned School Comparison

How are charter public school students performing on state assessments compared to the traditional public schools that they would otherwise attend if they did not attend the charter public school?

E Exceeds Standard: Charter public school proficiency is 10 or more percentage points above the ASC average.

M Meets Standard: Charter public school proficiency is equal to or up to 9 percentage points above the ASC average.

D Does Not Meet Standard: Charter public school proficiency is up to 9 percentage points below the ASC average.

F Falls Far Below Standard: Charter public school proficiency is 10 or more percentage points below the ASC average.

GROUP	ELA			MATH			SCIENCE		
	SCHOOL	ASC	RATING	SCHOOL	ASC	RATING	SCHOOL	ASC	RATING
2a.1. All Students	50%	42%	M	44%	34%	E	50%	40%	E
American Indian/ Alaskan Native									
Asian	58%	56%	M	46%	47%	D			
Black/African American	40%	24%	E	32%	13%	E			
Hispanic/LatinX	47%	34%	E	41%	20%	E	52%	30%	E
Native Hawaiian/ other Pacific Islander									
Two or More Races	56%	36%	E	46%	27%	E	56%	31%	E
White	50%	45%	M	46%	37%	E	48%	45%	M
Female	55%	45%	E	43%	31%	E	52%	39%	E
Male	44%	39%	M	46%	37%	E	47%	41%	M
Students with Disabilities	16%	15%	M	15%	13%	M	22%	19%	M
English Learners	32%	11%	E	29%	11%	E	<19%	10%	
Low Income	41%	34%	M	33%	27%	M	38%	33%	M
2a.2. Overall Subgroups			E			E			M

NOTES: Students in Washington take the End of Year science assessment in 5th, 8th, and 11th grades. Any results not shown were suppressed due to OSPI suppression rules or grades served.

School response:

GROWTH

2b.1. Growth (ELA/Math) Assigned School Comparison (ASC)

2b.2. Subgroup Growth (ELA/Math) Assigned School Comparison (ASC)

How are charter public school students meeting growth expectations on state assessments compared to the traditional public schools that students would otherwise attend if they did not attend the charter public school? (based on school and subgroup median growth percentiles)

E Exceeds Standard: Charter public school MGP is 5 or more points above ASC average MGP.

D Does Not Meet Standard: Charter public school MGP is up to 4 points below the ASC average MGP.

M Meets Standard: Charter public school MGP is equal to or up to 4 points above ASC average MGP.

F Falls Far Below Standard: Charter public school MGP is 5 or more points below the ASC average MGP.

GROUP	ELA			MATH		
	SCHOOL	ASC	RATING	SCHOOL	ASC	RATING
2b.1. All Students	47	47	M	47	47	M
American Indian/ Alaskan Native						
Asian	82.5	58	E	50.5	64	F
Black/African American	21	33	F	29	38	F
Hispanic/LatinX	49	50.5	D	55.5	45	E
Native Hawaiian/ other Pacific Islander						
Two or More Races	54	46	E	51	46.5	M
White	44	47	D	47	47	M
Female	48	49.5	D	50.5	46.5	M
Male	45	45	M	46	47	D
Students with Disabilities	42	42	M	40.5	45.5	F
English Learners	43	49	F	41	50	F
Low Income	48	46	M	44	46	D
2b.2. Overall Subgroups			M			D

NOTES: ASC results are presented only if corresponding charter results are available. Any results not shown were suppressed due to OSPI suppression rules or grades served.

School response:

GRADUATION RATE

2c.1. Graduation Rate Assigned School Comparison (ASC)

2c.2. Graduation Rate Subgroup Assigned School Comparison (ASC)

How are charter public school student high school cohort 4-year graduation rates compared to the traditional public schools that students would otherwise attend if they did not attend the charter public school?

E Exceeds Standard: Charter public school 4-year graduation rate is 10 or more percentage points above ASC average.

M Meets Standard: Charter public school 4-year graduation rate is equal to or up to 9 percentage points above ASC average.

D Does Not Meet Standard: Charter public school 4-year graduation rate is up to 9 percentage points below the ASC average.

F Falls Far Below Standard: Charter public school 4-year graduation rate is 10 or more percentage points below the ASC average.

GROUP	SCHOOL PERFORMANCE	ASC PERFORMANCE	RATING
2c.1. All Students			
American Indian/ Alaskan Native			
Asian			
Black/African American			
Hispanic/LatinX			
Native Hawaiian/ other Pacific Islander			
Two or More Races			
White			
Female			
Male			
Students with Disabilities			
English Learners			
Low Income			
2c.2. Overall Subgroups			

NOTES: Although the school had its first graduating class in school year 2024-25, there were only six students, so no data were reported by OSPI.

English Learner Progress

2d.1. English Learner Progress Assigned School Comparison (ASC)

2d.2. English Learner Progress Subgroup Assigned School Comparison (ASC)

**** Student subgroup data for measure 2d.2 is not required to be reported on by ESSA and is not reported out by OSPI. This indicator will be re-evaluated by the Commission in the future.**

How does Charter Public School English Learner progress compare to the district schools that students would otherwise attend if they did not attend the charter public school?

- | | |
|--|---|
| <p>E Exceeds Standard: Charter public school performance is 10 or more percentage points above ASC average.</p> | <p>D Does Not Meet Standard: Charter public school performance is up to 9 percentage points below the ASC average.</p> |
| <p>M Meets Standard: Charter school public performance is equal to or up to 9 percentage points above ASC average.</p> | <p>F Falls Far Below Standard: Charter public school performance is 10 or more percentage points below the ASC average.</p> |

GROUP	SCHOOL PERFORMANCE	ASC PERFORMANCE	RATING
All Students	84%	40%	E

NOTES: ASC results are presented only if corresponding charter results are available. Any results not shown were suppressed due to OSPI suppression rules or grades served.

- *Students who are learning English as a second language need additional assistance. These students are identified by the WIDA screener, and monitored throughout services on the WIDA end of year exam. In Washington State, students are expected to test out of services within a 6-year period.*
- *A target amount of growth is set based on the student’s WIDA score from the previous year and the amount of progress needed to meet proficiency within 6 years. Students who meet this target count for this measure.*

School response:

ADDITIONAL INDICATORS

2e.1., 2e.2. Regular Attendance Assigned School Comparison (ASC)

2 f.1., 2 f.2. 9th Graders on Track Assigned School Comparison (ASC)

2g.1., 2g.2. Dual Credit Assigned School Comparison (ASC)

How are charter public school students performing compared to traditional public schools that students would otherwise attend if they did not attend the charter public school?

E Exceeds Standard: Charter public school performance is 10 or more percentage points above the ASC average.

M Meets Standard: Charter public school performance is equal to or up to 9 percentage points above the ASC average.

D Does Not Meet Standard: Charter public school performance is up to 9 percentage points below the ASC average.

F Falls Far Below Standard: Charter public school performance is 10 or more percentage points below the ASC average.

GROUP	REGULAR ATTENDANCE (2.e)			9 TH GRADE ON TRACK (2.f)			DUAL CREDIT (2.g)		
	SCHOOL	ASC	RATING	SCHOOL	ASC	RATING	SCHOOL	ASC	RATING
All Students	77%	71%	M	70%	71%	D	>97%	53%	E
American Indian/ Alaskan Native									
Asian	83%	82%	M						
Black/African American	83%	75%	M						
Hispanic/LatinX	76%	64%	E				>81%	51%	E
Native Hawaiian/ other Pacific Islander									
Two or More Races	81%	68%	E				>75%	52%	E
White	76%	73%	M	63%	75%	F	>94%	55%	E
Female	75%	72%	M	70%	73%	D	>94%	56%	E
Male	79%	71%	M	70%	69%	M	>92%	51%	E
Students with Disabilities	69%	63%	M				>77%	27%	E
English Language Learners	83%	68%	E						
Low Income	73%	67%	M	50%	65%	F	>93%	46%	E
Overall Subgroups			M			D			E

NOTES: ASC results are presented only if corresponding charter results are available. Any results not shown were suppressed due to OSPI suppression rules or grades served.

- Regular attendance is the percentage of students enrolled for 90 calendar days or more throughout the school year, who are missing fewer than an average of two days per month. This includes excused and unexcused absences where a student misses 50% or more of the school day.
- 9th Graders on-track is the proportion of first time 9th Grade students who earn all credits they attempt.
- Dual credit is the proportion of students who completed a dual credit course during that school year (Dual credit courses include Advanced Placement, Cambridge International, College in the High School, CTE Dual Credit, International Baccalaureate and Running Start).

School response:

3. SCHOOL-SPECIFIC ACADEMIC GOAL(S)

E Exceeds Standard:
56-100% of students achieve growth beyond their projected RIT growth goals in Literacy and Mathematics

D Does Not Meet Standard:
35%-49% of students achieve their projected RIT growth goals in Literacy and Mathematics

M Meets Standard:
50%-55% of students achieve their projected RIT growth goals in Literacy and Mathematics

F Falls Far Below Standard:
0%-34% of students achieve their projected RIT growth goals in Literacy and Mathematics

GOAL	SCHOOL PERFORMANCE	RATING
Primary Academy (Grades 1-5): Half of the students who scored Lo Avg (20th-40th percentile) on their Fall 2024 MAP Math and Literacy assessment will achieve their Fall to Spring MAP projected growth goal by the Spring 2025 testing session.	Literacy: 56% Math: 66%	Literacy: Exceeds Math: Exceeds
Middle Academy (6-8): Half of the students who scored Lo Avg (20th-40th percentile) on their Fall 2024 MAP Math and Literacy assessment will achieve their MAP projected growth goals by the Spring 2025 testing session.	Literacy: 45% Math: 58%,	Literacy: Does Not Meet Math: Exceeds
High School (9-12): Half of the students who scored Lo Avg (20th-40th percentile) on their Fall 2023 MAP Math and Literacy assessment will achieve their MAP projected growth goals by the Spring 2025 testing session.	Literacy: 60% Math: 50%	Literacy: Exceeds Math: Exceeds
Overall Score		Exceeds

School response:



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Coversheet

Staff Compensations 26-27

Section: VIII. Budget 26-27
Item: C. Staff Compensations 26-27
Purpose: Discuss
Submitted by:
Related Material: 26-27 Certificated Schedule A.pdf
26-27 Classified Schedule A.pdf

	BA0	BA45	BA90	MA0	MA45	MA90
0	56,904	59,561	62,221	63,994	67,199	70,403
1	57,900	60,560	63,220	64,992	67,838	71,402
2	58,918	61,565	64,219	65,991	68,836	72,401
3	60,111	62,760	65,439	67,211	70,057	73,621
4	61,333	63,980	66,660	68,432	71,278	74,842
5	62,553	65,201	67,880	69,653	72,498	76,062
6	63,774	66,421	69,101	70,873	73,719	77,283
7	64,994	67,642	70,321	72,094	74,939	78,503
8	66,215	68,862	71,542	73,314	76,160	79,724
9	66,215	70,083	72,763	74,535	77,380	80,944
10	66,215	71,303	74,085	75,856	78,702	82,674
11	66,215	72,524	76,292	78,065	80,910	84,990
12	66,215	73,745	78,558	80,329	83,176	87,305
13	66,215	73,745	80,878	82,650	85,496	89,622
14	66,215	73,745	83,211	84,983	87,906	92,027
15	66,215	73,745	85,544	87,315	90,330	94,433
16	66,215	73,745	87,876	89,647	92,756	96,846

	0	1	2	3	4	5
IA (No Cert)	20.30	20.81	21.33	21.86	22.41	22.95
IA (Cert)	22.95					
Ops Asst.	19.86	20.22	20.56	20.92	21.28	21.66
Kitch & Proc. Man.	23.88	24.28	24.68	25.08	25.50	25.94
Kitchen Asst.	19.18	19.51	19.85	20.20	20.55	20.90
Cust	20.26	20.75	21.30	21.88	22.46	23.07