



**WASHINGTON UNIFIED SCHOOL DISTRICT**

**COUNTY OF YOLO  
WEST SACRAMENTO, CALIFORNIA**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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# WASHINGTON UNIFIED SCHOOL DISTRICT

## TABLE OF CONTENTS

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	<u>PAGE</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	4
<b>BASIC FINANCIAL STATEMENTS</b>	
Government – Wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Balance Sheet – Governmental Funds	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	17
Statement of Net Position – Fiduciary Funds	18
Statement of Changes in Net Position – Fiduciary Funds	19
Notes to the Basic Financial Statements	20
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual – General Fund	57
Schedule of Changes in the District's Net OPEB Liability and Related Ratios	58
Schedule of Proportionate Share of Net Pension Liability	59
Schedule of Pension Contributions	60
Notes to Required Supplementary Information	61

# WASHINGTON UNIFIED SCHOOL DISTRICT

## TABLE OF CONTENTS

---

### SUPPLEMENTARY INFORMATION

Combining Balance Sheet – All Non-major Funds	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-major Funds	64
Schedule of Average Daily Attendance	65
Schedule of Instructional Time	66
Schedule of Charter Schools	67
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	68
Schedule of Expenditures of Federal Awards	69
Schedule of Financial Trends and Analysis	70
Notes to Supplementary Information	71

### OTHER INDEPENDENT AUDITOR'S REPORTS

Organization	73
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### OTHER INDEPENDENT AUDITOR'S REPORTS

Independent Auditor's Report of State Compliance and On Internal Control Over Compliance	74
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	78
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	80

### FINDINGS AND RECOMMENDATIONS SECTION

Schedule of Findings and Questioned Costs	83
Status of Prior Year Recommendations	87



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**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Washington Unified School District  
West Sacramento, California

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Washington Unified School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

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

The District's 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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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.

## ***Other Matters***

### ***Change in Accounting Principle***

As described in Note 1Y to the financial statements, the District adopted GASB Statement No. 101, Compensated Absences which required a restatement of net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP) and Actual - General Fund, Schedule of Changes in District's Net OPEB Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information

for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The *supplementary information as listed in the table of contents* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

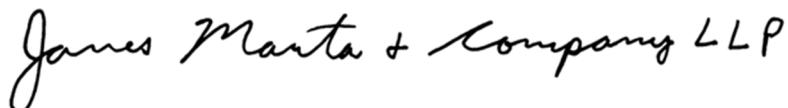
### ***Other Information***

Management is responsible for the other information included in the financial statements. The other information comprises the Organization page but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 12, 2025 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is fluid and cursive, with "James Marta" on the first line and "& Company LLP" on the second line.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
December 12, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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This section of the Washington Unified School District's (District) annual financial report presents District management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

## INTRODUCTION

The Washington Unified School District, founded in 1957, is located in the City of West Sacramento. The city covers a 23 square mile area in eastern Yolo County along the west bank of the Sacramento River, opposite the City of Sacramento. The District serves an ethnically diverse population of approximately 7,291 students. The District has seven (7) K-8 schools, one (1) comprehensive high school, an alternative high school, an independent study program, a virtual school, an adult education program and a 9-12 charter. We believe in our motto: Equity, Excellence, Empowerment, for Every Student, Every Day.

## FINANCIAL HIGHLIGHTS

- The Adopted Budget Unrestricted General Fund projected a decrease in fund balance of \$12,639,464 and the Adopted Budget Restricted General Fund projected a decrease in fund balance of \$5,913,860. The year ended with an Unrestricted General Fund decrease of \$3,112,801 and a Restricted General Fund decrease of \$4,112,799.
- Contributions to restricted programs were \$944,566 less than projected in the 2024-2025 Adopted Budget.
- The General Fund ended the year with a fund balance of \$40,948,685.87. This is a decrease of \$10,998,835.70 from the prior fiscal year.
- Employee compensation increased by 4.0% for certificated and 4.5% classified employee groups for the 2024-2025 fiscal year.
- The District Administration continues to be proactive with the board, bargaining units, and community stakeholders to convey the District's fiscal position in a very transparent manner. The District maintains a positive certification with its fiscal oversight agent while acknowledging that continued fiscal solvency will require prudent action(s) in the coming fiscal years; even in an improving economy. With the passage of the Local Control Funding Formula in 2013, new funding for schools has materialized.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: (1) management's discussion and analysis (this section), (2) the basic financial statements, (3) required supplementary information and (4) supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services like regular and special education are financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the activities the District operates like businesses.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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#### REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources, one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating.

The relationship between revenues and expenses is the District's operating results. Since it is the responsibility of the Board to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be important components in this evaluation.

In the Statement of Net Position and the Statement of Activities, District activities are defined as follows:

- Governmental activities - Most of the District's services are reported in this category. This includes the education of transitional kindergarten through grade twelve students, adult education students, the operation of child development activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State and local grants, as well as general obligation bonds, finance these activities.

#### REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

*The Fund Financial Statements* provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and some by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the California Department of Education, the U.S. Department of Education, local funds, and external borrowings.

*Governmental funds* - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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**THE DISTRICT AS TRUSTEE**

The District is the trustee, or fiduciary, for funds held on behalf of others, like funds for associated student body activities and foundation private-purpose trust funds. The District's fiduciary activities are reported in separate Statements of Fiduciary Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**THE DISTRICT AS A WHOLE**

*Net Position*

The District's net position was \$176.9 million for the fiscal year ended June 30, 2025, resulting in an increase from the prior fiscal period's net position by \$61.3 million.

In June of 2012, the Governmental Accounting Standards Board approved GASB Statement No. 68 (GASB 68), Accounting and Financial Reporting for Pensions. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

Table 1 below focuses on the net position of the District's governmental activities.

**Table 1**  
**Condensed Statement of Net Position**

	June 30, 2025	June 30, 2024	Change	Percentage Change
<b>Assets</b>				
Current assets	\$ 235,700,843	\$ 223,643,066	\$ 12,057,777	5.1%
Capital assets	299,532,348	284,288,069	15,244,279	5.1%
Total assets	<u>535,233,191</u>	<u>507,931,135</u>	<u>27,302,056</u>	<u>5.1%</u>
<b>Deferred Outflows of Resources</b>	<u>66,017,292</u>	<u>51,185,648</u>	<u>14,831,644</u>	<u>22.5%</u>
<b>Liabilities</b>				
Current liabilities	21,346,214	22,957,257	(1,611,043)	-7.5%
Long-term liabilities				
Due within one year	16,090,416	16,143,529	(53,113)	-0.3%
Due in more than one year	347,087,690	365,222,051	(18,134,361)	-5.2%
Total long-term liabilities	<u>363,178,106</u>	<u>323,763,048</u>	<u>39,415,058</u>	<u>10.9%</u>
Total liabilities	<u>384,524,320</u>	<u>404,322,837</u>	<u>(19,798,517)</u>	<u>-5.1%</u>
<b>Deferred Inflows of Resources</b>	<u>39,824,911</u>	<u>39,149,896</u>	<u>675,015</u>	<u>1.7%</u>
<b>Net Position</b>				
Invested in capital assets, net of related debt	170,409,528	168,503,070	1,906,458	1.1%
Restricted	126,056,534	146,344,504	(20,287,970)	0.0%
Unrestricted	(119,564,810)	(199,203,524)	79,638,714	66.6%
Total net position	<u>\$ 176,901,252</u>	<u>\$ 115,644,050</u>	<u>\$ 61,257,202</u>	<u>-34.6%</u>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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*Changes in Net Position*

The results of this year's operations for the District as a whole are reported in the Statement of Activities. Table 2 focuses on the change in net position of the District's governmental activities by taking the information from the Statement, rounds off the numbers, and rearranges them slightly so that total revenues for the year can be seen.

**Table 2**

**Condensed Statement of Activities for the Fiscal Years Ended June 30**

	2025	2024	Change	Percentage Change
<b>Revenues</b>				
Charges for services	\$ 3,019,764	\$ 4,298,407	\$ (1,278,643)	-42.3%
Operating grants and contributions	46,176,452	48,968,713	(2,792,261)	-6.0%
Federal and state aid not restricted for specific purposes	82,754,743	80,375,880	2,378,863	2.9%
Taxes and subventions	51,921,326	56,501,331	(4,580,005)	
Interest and investment earnings	6,364,569	5,059,228	1,305,341	20.5%
Miscellaneous	1,155,720	1,386,458	(230,738)	-20.0%
<b>Total revenues</b>	<b>191,392,574</b>	<b>196,590,017</b>	<b>(5,197,443)</b>	<b>-2.7%</b>
<b>Expenses</b>				
Instruction	64,966,603	68,924,932	(3,958,329)	-6.1%
Instruction-related services	11,033,128	13,886,843	(2,853,715)	-25.9%
Pupil services	16,174,896	19,522,227	(3,347,331)	-20.7%
General administration	10,180,182	12,455,254	(2,275,072)	-22.3%
Plant services	19,887,895	31,425,622	(11,537,727)	-58.0%
Ancillary services	1,214,797	642,133	572,664	47.1%
Interest on long-term debt	4,924,022	18,726,078	(13,802,056)	-280.3%
Other outgo	1,753,849	1,572,178	181,671	10.4%
<b>Total expenses</b>	<b>130,135,372</b>	<b>167,155,267</b>	<b>(37,019,895)</b>	<b>-28.4%</b>
<b>Change in net position</b>	<b>\$ 61,257,202</b>	<b>\$ 29,434,750</b>	<b>31,822,452</b>	<b>-51.9%</b>

*Governmental Activities*

As reported in the Statement of Activities, the cost of all our governmental activities this year was \$130.1 million. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$51.9 million because the cost was paid by those who benefited from the programs (\$2.77 million) or by other governments and organizations who subsidized certain programs with grants and contributions (\$46.17 million). We paid for the remaining "public benefit" portion of our governmental activities with \$29.3 million in State funds and with other revenues, like interest and general entitlements.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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**THE DISTRICT'S FUNDS**

The financial performance of the District as a whole is reflected in its governmental funds. The Fund Balances shown on the Governmental Funds Balance Sheet are largely cash and cash equivalents, and do not show Capital Facilities Assets.

The General Fund is the District's principal operating fund. The fund balance in the General Fund, excluding the Deferred Maintenance and Special Reserve Fund for Postemployment Benefits, decreased from \$51.9 million to \$41.2 million, or by \$10.7 million. Expenditures in the Deferred Maintenance Fund, Building Fund, the Capital Facilities Fund, the County School Facilities Fund, and the Special Reserve for Capital Outlay Projects Fund equaled \$24.66 million for Elkhorn Modernization, Westfield Modernization, Westmore Oaks re-roofing, Shade Structures, Water Bottle filling stations, Yolo High ADA upgrades, and the 2017 COP Payment.

**Table 3**

**Governmental Activities Expenditures**

	2025		2024	
	Total	Net	Total	Net
Instruction	\$ 64,966,603	\$ 41,041,935	\$ 68,924,932	\$ 38,443,733
Instruction-related services	11,033,128	8,855,041	13,886,843	10,137,789
Pupil services	16,174,896	6,897,815	19,522,227	7,467,199
General administration	10,180,182	7,895,842	12,455,254	10,338,156
Plant services	19,887,895	19,028,501	31,425,622	30,293,027
Ancillary services	1,214,797	684,512	642,133	535,509
Interest on long-term debt	4,924,022	4,924,022	18,726,078	18,726,078
Other outgo	1,753,849	(8,388,512)	1,572,178	(2,053,344)
Total expenses	<u>\$ 130,135,372</u>	<u>\$ 80,939,156</u>	<u>\$ 167,155,267</u>	<u>\$ 113,888,147</u>

The District's Other Non-Major Governmental Funds remained stable from the prior year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The fiscal 2024-25 budget ran as a \$10.99M deficit when it was expecting a \$18.55M deficit on the original adopted budget. The District remains with the designated 6% reserve. The District experienced a slight increase in enrollment, and COLA was 1.07% which resulted in an increase in the base funding.

LCFF was fully funded in 2018-19. According to the 2024-25 Enacted State Budget, the COLA is projected at 1.07% for 2024-25 and 2.93% for 2025-26. Salary Compensation has been settled through 2024-2025 for certificated staff and through 2025-2026 for classified staff.

*Federal Funds*

Federal funding for fiscal 2024-25 decreased by \$5.6 million compared to 2023-24. This is due to one-time funding. The District's Administration continues to be conservative with the allocation of these resources and the associated expenditures. As with prior years, the objective of the use of Federal Funds is to spend current year dollars on current year students.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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*Cash Flow*

For the year ending June 30, 2025, the District had a strong ending cash position. Cash continues to be reviewed on a monthly basis.

*Capital Assets*

At June 30, 2025, the District had \$299.5 million in a broad range of capital assets net of accumulated depreciation, including land, buildings, vehicles, and furniture and equipment.

**Table 4**

**Comparative Schedule of Capital Assets**

	2025	2024
Land	\$ 29,155,759	\$ 29,155,759
Work in Progress	41,316,102	35,888,287
Buildings	275,230,523	274,814,457
Site Improvements	57,827,668	47,978,470
Equipment and Vehicles	20,273,488	20,156,308
Subtotals	423,803,540	407,993,281
Less: Accumulated Depreciation	(124,271,192)	(123,705,212)
Capital Assets, net	<u>\$ 299,532,348</u>	<u>\$ 284,288,069</u>

We present more detailed information about our capital assets in the notes to the basic financial statements.

*Long-term Liabilities*

In June 2021, the District issued Measure Z Series A General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$60,000,000 for the purpose of financing the school facility improvements and to pay certain costs of issuance associated therewith. The Series A was the first series of bonds issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District. In May 2024, the District issued Measure Z Series B General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$50,000,000 for the purpose of financing the school facility improvements and to pay certain costs of issuance associated therewith. The Series B was the second series of bonds issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District. Subsequent to the Series A and B issuance, there is \$40,000,000 remaining for future issuances. In November of 2014, the voters in the City of West Sacramento approved Measure V, which authorized the Board of Education to issue General Obligation Bonds in the amount of \$49.8 million. Of this authorization, the Board of Education issued Series 2015 Bonds at a value of \$24.9 million. The remaining \$24.9 million was issued with Series 2017 Bonds. Measure V projects included the Bryte CTE campus, Bridgeway Island classrooms, districtwide re-roofing projects, updating of fire alarm systems, Fallbrook Homecoming and ADA access issues. Table 5 shows the long-term liabilities of the District. We present more detailed information regarding our long-term liabilities in the Notes to the basic financial statements.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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**Table 5**

<b>Comparative Schedule of Long-Term Liabilities</b>				
	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>	<u>Percent Change</u>
General Obligation Bonds	\$ 186,279,866	\$ 194,546,742	\$ 8,266,876	4.4%
Certificates of Participation	48,775,000	51,750,000	2,975,000	6.1%
Qualified School Construction Bonds	8,885,432	8,885,432	-	0.0%
Clean Renewable Energy Bonds	2,546,531	3,025,132	478,601	18.8%
Net Pension Liability	81,059,601	88,614,938	7,555,337	9.3%
Net OPEB Liability	20,424,330	19,504,066	(920,264)	-4.5%
Compensated Absences*	<u>15,207,346</u>	<u>15,039,270</u>	<u>(168,076)</u>	<u>-1.1%</u>
<b>Subtotal</b>	<b>\$ 363,178,106</b>	<b>\$ 381,365,580</b>	<b>\$ 18,187,474</b>	<b>5.0%</b>

\*Includes prior period adjustment for GASB 101 implementation.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Governor Gavin Newsom signed several budget and trailer bills before the end of June to adopt and implement the 2025-26 State Budget. The budget maintained the majority of the proposals that were included in the May Revision; however, some additional changes were incorporated. The final budget agreement solves an \$11.8 billion General Fund deficit and provides a balanced fiscal plan with reductions in growth in state spending while maintaining key programs. In order to address the state's budget challenges a range of solutions including necessary actions to reduce ongoing expenditures, mandatory reserve drawdowns, new revenue proposals, internal borrowing, fund shifts, and deferrals.

Key TK-12 funding provisions include the following:

- Revised estimates of general fund revenues result in updated Proposition 98 guarantee levels: \$98.5 billion for 2023-24, \$119.9 billion for 2024-25 and \$114.6 billion for 2025-26. These revised levels represent a \$3.9 billion increase over the three-year period relative to the 2024 Budget Act. Due to the risk in revenue projections, the 2025-26 Budget appropriates the 2024-25 level at \$118 billion - \$1.9 billion below the most recent calculation. This difference, referred to as settle-up, is intended to reduce ongoing deficits and protect core program funding if realized. Proposition 98 is calculated using Test 2 for 2023-24 and Test 1 for both 2024-25 and 2025-26.
- Revises the 2024-25 mandatory Proposition 98 Rainy Day fund deposit down to \$455 million, triggering a mandatory withdrawal of \$455 million in 2025-26. Of that amount, \$405.3 million will be used to fund LCFF in 2025-26. This mandatory withdrawal will exhaust the fund balance of the reserve account in 2025-26.
- Maintains a 2.3% funded cost-of-living adjustment (COLA) to the Local Control Funding Formula (LCFF). When combined with population growth adjustments, this results in a \$2.1 billion increase compared to the 2024 Budget Act. Categorical programs receiving COLA include Special Education, Child Nutrition, Youth in Foster Care, Mandated Block Grant, Charter School Facilities Grant Program, American Indian Education Centers, the American Indian Early Childhood Education Program, and the LCFF Equity Multiplier.
- Includes a \$1.9 billion deferral of LCFF apportionments from June 2026 to July 2026. In addition, prior deferrals from 2024-25 totaling \$246.6 million for TK-12 education are fully repaid in 2025-

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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26.

- Maintains investment of a total of \$2.1 billion in ongoing funding (inclusive of all prior years' investments) to support the full implementation of universal transitional kindergarten (TK), ensuring all children who turn four years old by September 1 of the school year can enroll in TK. An additional \$1.2 billion in on-going funding to support lowering the average student-to-adult ratio from 12-to-1 to 10-to-1.
- Provides an additional \$515.1 million in ongoing Investment in Expanded Learning Opportunities Program for full program implementation. The budget lowers the eligibility threshold for universal access, expanding it to include LEAs with an unduplicated pupil percentage of at least 55%, reduced from the previous threshold of 75%. It also allocates \$10.4 million to increase the minimum grant amount from \$50,000 to \$100,000 per LEA.
- Allocates \$1.7 billion one-time Proposition 98 for the Student Support and Professional Development Discretionary Block Grant. The block grant provides discretionary fiscal support to LEAs to address rising costs including, but not limited to, the following: (1) professional development for teachers on the ELA/ELD framework and Literacy Roadmap, with a focus on strategies to support literacy for English learners; (2) professional development for teachers on the Mathematics Framework; (3) teacher recruitment and retention strategies; and (4) career pathways and dual enrollment expansion programs aligned with the Master Plan for Career Education.
- Maintains \$378.6 million in one-time funding to support the Learning Recovery Emergency Block Grant (LREBG) through the 2027-28 school year.

Congress recently approved significant cuts to Medicaid and Supplemental Nutrition Assistance Program (SNAP), directly impacting LEA budgets and potentially causing even greater indirect impacts. These reductions may force the state to adjust school funding to mitigate the impact of federal funding cuts. At the same time, projected declines in state revenue and increasing Medi-Cal costs have contributed to a structural budget deficit that is projected to grow significantly. Federal funding reductions, especially to Medicaid, will significantly increase the state's budget deficit and require the legislature to make difficult reductions in other areas.

Given the risks associated with the state budget and changes in federal funding, LEAs should exercise caution before making any long-term commitments and should consider increasing reserves to manage potential cash deferrals and absorb potential state and federal funding reductions.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT TEAM**

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it received. If you have questions about this report or need any additional financial information, contact the Business Office, Washington Unified School District, 930 Westacre Road, West Sacramento, California 95691 or call 916-375-7600.

## **BASIC FINANCIAL STATEMENTS**

**WASHINGTON UNIFIED SCHOOL DISTRICT**

**STATEMENT OF NET POSITION**

**JUNE 30, 2025**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 224,663,653
Receivables	10,826,250
Stores inventory	210,940
Capital assets, net of accumulated depreciation (Note 4)	<u>299,532,348</u>
<b>Total Assets</b>	<b><u>535,233,191</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows on refunding COPs (Note 5)	1,864,210
Deferred outflows on refunding Bonds (Note 5)	2,405,781
Deferred outflows on OPEB (Note 7)	2,458,034
Deferred outflows on pensions (Note 6)	<u>59,289,267</u>
<b>Total Deferred Outflows</b>	<b><u>66,017,292</u></b>
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	19,988,145
Unearned revenue	1,358,069
Long-term liabilities:	
Due within one year	16,090,416
Due in more than one year	<u>347,087,690</u>
<b>Total Liabilities</b>	<b><u>384,524,320</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred COP premium revenue (Note 5)	3,115,751
Deferred bond premium revenue (Note 5)	6,891,990
Deferred inflows on OPEB (Note 7)	4,104,221
Deferred inflows on pensions (Note 6)	<u>25,712,949</u>
<b>Total Deferred Inflows</b>	<b><u>39,824,911</u></b>
<b>NET POSITION</b>	
Net investment in capital assets	170,409,528
Restricted	151,097,108
Unrestricted	<u>(144,605,384)</u>
<b>Total Net Position</b>	<b><u>\$ 176,901,252</u></b>

# WASHINGTON UNIFIED SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Program Revenues					Net (Expense) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
<b>Governmental Activities</b>							
Instruction	\$ 64,966,603	\$ 35,331	\$ 23,889,337	\$ -	\$ (41,041,935)		
Instruction - related services:							
Supervision of instruction	4,776,039	885	1,280,736	-	(3,494,418)		
Instructional library, media and technology	480,542	1,160	35,390	-	(443,992)		
School site administration	5,776,547	1,683	858,233	-	(4,916,631)		
Pupil Services:							
Home-to-school transportation	2,988,524	7	2,692	-	(2,985,825)		
Food services	5,774,346	541,665	6,818,905	-	1,586,224		
All other pupil services	7,412,026	24,633	1,889,179	-	(5,498,214)		
General administration:							
Centralized data processing	3,626,723	-	401,026	-	(3,225,697)		
All other general administration	6,553,459	19,566	1,863,748	-	(4,670,145)		
Plant services	19,887,895	22,536	836,858	-	(19,028,501)		
Ancillary services	1,214,797	-	530,285	-	(684,512)		
Interest on long-term debt	4,924,022	-	-	-	(4,924,022)		
Other outgo	1,753,849	2,372,298	7,770,063	-	8,388,512		
Total governmental activities	<u>\$ 130,135,372</u>	<u>\$ 3,019,764</u>	<u>\$ 46,176,452</u>	<u>\$ -</u>	<u>(80,939,156)</u>		
 General Revenues							
Taxes and subventions:							
Taxes levied for general purposes					28,545,264		
Taxes levied for debt service					18,672,766		
Taxes levied for other specific purposes					4,703,296		
Federal and state aid not restricted to specific purposes					82,754,743		
Interest and investment earnings					6,364,569		
Miscellaneous					<u>1,155,720</u>		
Total general revenues					<u>142,196,358</u>		
Change in net position					61,257,202		
Net Position - July 1, 2024 as originally stated					<u>130,566,630</u>		
Change in accounting principle (Note 1Y)					<u>(14,922,580)</u>		
Net Position - July 1, 2024, as restated					<u>115,644,050</u>		
Net Position - June 30, 2025					<u>\$ 176,901,252</u>		

**WASHINGTON UNIFIED SCHOOL DISTRICT**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2025**

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	<b>General Fund</b>	<b>Building Fund</b>	<b>Bond Interest and Redemption Fund</b>	<b>All Non-Major Funds</b>	<b>Total</b>
<b>ASSETS</b>					
Cash	\$ 73,271,706	\$ 74,910,923	\$ 25,040,574	\$ 51,440,450	\$ 224,663,653
Accounts receivable	8,343,147	-	-	2,483,103	10,826,250
Due from other funds	102,100	-	-	651,932	754,032
Stores Inventory	-	-	-	210,940	210,940
<b>Total Assets</b>	<b>\$ 81,716,953</b>	<b>\$ 74,910,923</b>	<b>\$ 25,040,574</b>	<b>\$ 54,786,425</b>	<b>\$ 236,454,875</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 15,450,615	\$ 87,573	\$ -	\$ 151,325	\$ 15,689,513
Due to other funds	1,030	-	-	753,002	754,032
Unearned revenue	421,114	-	-	936,955	1,358,069
<b>Total Liabilities</b>	<b>15,872,759</b>	<b>87,573</b>	<b>-</b>	<b>1,841,282</b>	<b>17,801,614</b>
Fund balances					
Nonspendable	25,000	-	-	210,940	235,940
Restricted	19,184,663	74,156,198	25,040,574	32,715,673	151,097,108
Committed	30,342,846	667,152	-	20,018,530	51,028,528
Unassigned	16,291,685	-	-	-	16,291,685
<b>Total Fund Balances</b>	<b>65,844,194</b>	<b>74,823,350</b>	<b>25,040,574</b>	<b>52,945,143</b>	<b>218,653,261</b>
<b>Total liabilities and fund balances</b>	<b>\$ 81,716,953</b>	<b>\$ 74,910,923</b>	<b>\$ 25,040,574</b>	<b>\$ 54,786,425</b>	<b>\$ 236,454,875</b>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

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Total fund balances - governmental funds \$ 218,653,261

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	\$ 423,803,540
Accumulated depreciation	<u>(124,271,192)</u>
Net	299,532,348

Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pension are reported.

Deferred outflows of resources relating to pensions	59,289,267
Deferred inflows of resources relating to pensions	(25,712,949)

Unamortized costs: In governmental funds, debt issuance premiums, gain or loss on refunding, and defeasance costs are recognized as expenditures in the period they are incurred. In the government-wide statements, these amounts are amortized over the life of the debt. Unamortized premiums consist of:

Deferred loss on refunding COPs	1,864,210
Deferred loss on refunding Bonds	2,405,781
Deferred premium revenue on COPs	(3,115,751)
Deferred premium revenue on Bonds	(6,891,990)

Deferred outflows and inflows of resources relating to other postemployment benefits (OPEB): In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.

Deferred outflows of resources relating to OPEB	2,458,034
Deferred inflows of resources relating to OPEB	(4,104,221)

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:

(4,298,632)

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Current interest bonds payable	\$ 156,564,181
Capital appreciation bonds payable	29,715,685
Net pension liability	81,059,601
Net OPEB liability	20,424,330
Certificates of Participation (COPs)	48,775,000
Qualified School Construction Bonds (QCSB)	8,885,432
Clean Renewable Energy Bonds (CREB)	2,546,531
Compensated absences payable	<u>15,207,346</u>
	<u>(363,178,106)</u>

Total net position, governmental activities: \$ 176,901,252

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>General Fund</b>	<b>Building Fund</b>	<b>Bond Interest and Redemption Fund</b>	<b>All Non-Major Funds</b>	<b>Total</b>
<b>REVENUES</b>					
LCFF sources	\$ 97,475,300	\$ -	\$ -	\$ 2,630,627	\$ 100,105,927
Federal revenue	9,969,341	-	-	4,828,012	14,797,353
Other state revenues	19,192,209	-	75,452	11,898,103	31,165,764
Other local revenues	10,679,144	4,088,383	19,871,822	11,053,790	45,693,139
<b>Total revenues</b>	<b>137,315,994</b>	<b>4,088,383</b>	<b>19,947,274</b>	<b>30,410,532</b>	<b>191,762,183</b>
<b>EXPENDITURES</b>					
Certificated salaries	48,543,798	-	-	1,474,438	50,018,236
Classified salaries	20,904,561	-	-	2,720,769	23,625,330
Employee benefits	28,506,696	-	-	1,921,753	30,428,449
Books and supplies	4,850,342	451,905	-	3,883,079	9,185,326
Services and other operating expenditures	25,879,223	887,384	-	1,571,793	28,338,400
Capital outlay	10,269,066	5,507,322	-	33,870	15,810,258
Other outgo	1,360,239	-	-	2,271,817	3,632,056
Debt service expenditures	-	-	16,291,168	-	16,291,168
<b>Total expenditures</b>	<b>140,313,925</b>	<b>6,846,611</b>	<b>16,291,168</b>	<b>13,877,519</b>	<b>177,329,223</b>
Excess(deficiency) of revenues over expenditures	<b>(2,997,931)</b>	<b>(2,758,228)</b>	<b>3,656,106</b>	<b>16,533,013</b>	<b>14,432,960</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	16,557,561	-	-	856,566	17,414,127
Operating transfers out	(16,557,561)	-	-	(856,566)	(17,414,127)
All Other Financing Sources	-	-	(369,609)	-	(369,609)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(369,609)</b>	<b>-</b>	<b>(369,609)</b>
Net change in fund balances	(2,997,931)	(2,758,228)	3,286,497	16,533,013	14,063,351
Fund balances, July 1, 2024	68,842,125	77,581,578	21,754,077	36,412,130	204,589,910
Fund balances, June 30, 2025	<b>\$ 65,844,194</b>	<b>\$ 74,823,350</b>	<b>\$ 25,040,574</b>	<b>\$ 52,945,143</b>	<b>\$ 218,653,261</b>

# WASHINGTON UNIFIED SCHOOL DISTRICT

## RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

**JUNE 30, 2025**

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Total net change in fund balances - governmental funds	\$ 14,063,351
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:	
Expenditures for capital outlay:	\$ 15,810,259
Depreciation expense:	<u>(565,980)</u>
	15,244,279
Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:	
	16,026,840
Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was:	
	(394,531)
Accreted interest on capital appreciation bonds is not recognized as an expenditure in the governmental fund financial statements until paid. In the statement of activities, accreted interest is recognized as an expense as the capital appreciation bonds accrete in value. The net amount of accreted interest recognized in the current year was:	
	(4,306,363)
Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of premium or discount, or deferred gain or loss from debt refunding, for the period is:	
	303,843
Pensions: In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:	
	22,462,133
In governmental funds, other postemployment benefits (OPEB) expenses are recognized when employer contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer contributions was:	
	(1,974,274)
Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was:	
	<u>(168,076)</u>
Total change in net position - governmental activities	<u>\$ 61,257,202</u>

**WASHINGTON UNIFIED SCHOOL DISTRICT**

**STATEMENT OF NET POSITION**

**FIDUCIARY FUNDS**

**JUNE 30, 2025**

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	<b>Trust Fund</b>	
	<b>Foundation</b>	
<b>ASSETS</b>		
Cash and equivalents	\$ 45,059	
Total assets	<u>\$ 45,059</u>	
<b>LIABILITIES</b>		
Liabilities		
Accounts payable	\$ -	
Total liabilities	<u>-</u>	
<b>NET POSITION</b>		
Restricted	<u>\$ 45,059</u>	

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2025**

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	<b>Trust Fund</b>	<b>Foundation</b>
<b>REVENUES</b>		
Other local revenue	\$ 1,183	
Total revenues	<u>1,183</u>	
<b>EXPENSES</b>		
Scholarships awarded	(297)	
Total expenditures	<u>(297)</u>	
Change in Net Position	1,480	
Net Position, July 1, 2024	\$ 43,579	
Net Position, June 30, 2025	<u>\$ 45,059</u>	

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. ACCOUNTING POLICIES**

Washington Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's California School Accounting Manual. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. For state entitlement programs, the District has elected to match the revenues in the period that program expenditures are made to be consistent with the accounting for grants and other revenues.

**B. REPORTING ENTITY**

The Board of Education is the level of government which has governance responsibilities over all activities related to public school education in the District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board, since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

**C. BASIS OF PRESENTATION**

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

The government-wide statement of net position presents information on all of the District's assets and liabilities, with the difference between the two presented as net position. Net position is reported as one of three categories: invested in capital assets, net of related debt; restricted or unrestricted.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**C. BASIS OF PRESENTATION (CONTINUED)**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense function. Interest on long-term liabilities is considered an indirect expense and is reported separately in the Statement of Activities.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column. Fiduciary funds are reported by fund type.

**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Government-Wide Financial Statements

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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used, or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)**

Governmental Fund Financial Statements

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**E. FUND ACCOUNTING**

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District funds and account groups are as follows:

Governmental Funds

*General Fund* is the general operating fund of the District. It is used to account for all transactions except those required or permitted by law to be accounted for in another fund. The District includes the following funds as part of its General Fund:

1. The *Deferred Maintenance Fund* is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (Education Code Section 17582).
2. The *Special Reserve Fund for Postemployment Benefits* may be used pursuant to Education Code Section 42840 to account for amounts the LEA has earmarked for the future cost of postemployment benefits but has not contributed irrevocably to a separate trust for the postemployment benefit plan.

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District maintains five special revenue funds:

1. The *Student Activity Fund* accounts for student body activities (ASB) to account for the raising and expending of money to promote the general welfare, morale and educational experience of the student body.
2. *Charter Fund* is used to account separately for the operating activities of District-operated charter schools that would otherwise be reported in the authorized District's general fund.
3. *Adult Education Fund* is used to account for resources committed to adult education programs maintained by the District.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**E. FUND ACCOUNTING (CONTINUED)**

4. *Child Development Fund* is used to account for revenues received and expenditures made to operate the child development program.
5. *Cafeteria Fund* is used to account for revenues received and expenditures made to operate the District's cafeterias.

*Capital Projects Funds* are used to account for the acquisition and/or construction of all major governmental general fixed assets. The District maintains four capital projects funds:

1. *Building Fund* is used primarily to account separately for proceeds from the sale of bonds (Education Code Section 15146) and may not be used for any purposes other than those for which the bonds were issued.
2. *Capital Facilities Fund* is used to account for community redevelopment agency revenues and capital outlay expenditures.
3. *County School Facilities Fund* is used to account for new school facility construction, modernization projects, and facility grants.
4. *Special Reserve Fund for Capital Outlay Projects* exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (Education Code Section 42840).

*Debt Service Funds* are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. The District maintains two debt service funds:

1. *Bond Interest and Redemption Fund* is used to account for District taxes received and expended to pay bond interest and redeem bond principal.
2. *Debt Service Fund* is used for the accumulation of resources for and the retirement of principal and interest on general long-term debt.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Private Purpose Trust Funds are used to account for assets held by the District as trustee. The District maintains a Foundation Fund to provide scholarships to students of the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**F. BUDGETS AND BUDGETARY ACCOUNTING**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's Board of Education must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's Board of Trustees satisfied these requirements.

The District employs budgetary control by major object code and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object code. The budgets are revised during the year by the Board of Education to provide for unanticipated revenues and expenditures. The originally adopted and final revised budget for the General Fund is presented as required supplementary information.

**G. ACCOUNTS RECEIVABLE**

Accounts receivable are made up principally of amounts due from the State of California for the Local Control Funding Formula and Categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2025.

**H. INVENTORY**

Inventory in the General and Cafeteria funds consists mainly of consumable supplies held for future use and are valued at average cost. Inventories are recorded as expenditures at the time individual inventory items are transferred from the warehouse to schools. Maintenance and other supplies held for physical plant repair, transportation supplies, and operating supplies are not included in inventories; rather, these amounts are recorded as expenditures when purchased.

The Cafeteria fund records supplies expense which includes a handling charge for the delivery of government surplus food commodities. The state does not require the Cafeteria Fund to record the fair market value of these commodities. The supplies expenditures would have been greater had the District paid fair market value for the government surplus commodities.

**I. CAPITAL ASSETS**

Capital assets are those purchased or acquired with an original cost of \$5,000 or more and are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expenses as incurred. Depreciation on all capital assets is computed using the straight-line basis over 5-50 years depending on asset types.

**J. COMPENSATED ABSENCES**

All vacation pay plus related payroll taxes are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**K. ACCUMULATED SICK LEAVE**

Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

**L. LONG-TERM OBLIGATIONS**

The District reports long-term debt of governmental funds at face value in the government-wide statements. In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized during the current period.

**M. RESTRICTED NET POSITION**

Restrictions of the ending net position indicate the portions of net position not appropriate for expenditure or amounts legally segregated for specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

**N. UNEARNED REVENUE**

Cash received for federal and state special projects and programs is recognized as revenue to the extent that the qualified expenditures have been incurred. Unearned revenue is recorded to the extent cash received on specific projects and programs exceed qualified expenditures.

**O. PROPERTY TAX**

The District's local control funding formula is received from a combination of local property taxes, state apportionments, and other local sources.

Secured property taxes are levied as an enforceable lien on property as of January 1. Taxes are payable in two installments, on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Yolo bills and collects the taxes for the District.

Tax revenues are recognized by the District when received.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local control funding formula (LCFF) sources by the District.

The California Department of Education reduces the District's entitlement by the District's local property tax revenue. The balance is paid from the State General Fund, and is known as the state apportionment.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**P. FUND BALANCE RESERVES AND DESIGNATIONS**

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *"Fund Balance Reporting and Governmental Fund Type Definitions"*, the District is required to report fund balances in the following categories: Nonspendable, Restricted, Committed, Assigned and/or Unassigned.

*Nonspendable Fund Balance* reflects assets not in spendable form, either because they will never convert to cash (e.g. prepaid expense) or must remain intact pursuant to legal or contractual requirements.

*Restricted Fund Balance* reflects amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.

*Committed Fund Balance* reflects amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority: the Board of Trustees. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Trustees.

*Assigned Fund Balance* reflects amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed. Under the District's adopted policy, only the Board of Trustees is authorized to assign amounts for *specific purposes*.

*Unassigned Fund Balance* represents the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

When expenditures are incurred for purposes of which restricted, committed, assigned and unassigned fund balances are available, the District considers restricted funds to have been spent first, followed by committed, assigned and unassigned, respectively.

**Q. ENCUMBRANCES**

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30.

**R. FINANCING LEASES**

A lease is defined as a contract that coveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for financial leases are recorded in the financial statements to the extent that the District's lease capitalization threshold is met, \$1,500,000. Amortization of related assets using the straight-line method over the life of the contract. As of June 30, 2025, the District did not have any financing leases that met the threshold.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**S. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**T. ELIMINATIONS AND RECLASSIFICATIONS**

In the process of aggregating data for the government-wide statements, some amounts reported as interfund activity and balances in the fund financial statements were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

**U. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES**

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

**V. PENSIONS**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Washington Unified School District’s California Public Employees’ Retirement System (CalPERS) and California State Teachers Retirement System (CalSTRS) plans (Plans) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS and CalSTRS, respectively. 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.

**W. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

For purposes of measuring the District’s OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District’s OPEB Plan (OPEB Plan) and additions to/deductions from the District’s fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**X. SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA)**

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets) as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for SBITAs are recorded in the financial statements to the extent that the District's capitalization threshold is met, \$1,500,000. Amortization of related assets using the straight-line method over the life of the contract. As of June 30, 2025, the District did not have any subscription based information technology agreements that met the threshold.

**Y. CHANGE IN ACCOUNTING PRINCIPLE – GASB 101, COMPENSATED ABSENCES**

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. As a result, the sick leave will be reported as a governmental activity within the compensated absences in the basic financial statements causing the June 30, 2024 balance to be restated as follows:

Net position previously reported, June 30, 2024	\$ 130,566,630
Change in accounting principle (Note 1Y)	<u>(14,922,580)</u>
Net position as restated	<u><u>\$ 115,644,050</u></u>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**2. CASH AND INVESTMENTS**

Cash and investments as of June 30, 2025 consist of the following:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>	<u>Total</u>
Cash in County Treasury	\$ 224,348,772	\$ 1,358	\$ 224,350,130
Cash on hand and in banks	289,875	-	289,875
Cash in revolving fund	25,000	-	25,000
Cash with fiscal agent	6	43,701	43,707
	<hr/> <u>\$ 224,663,653</u>	<hr/> <u>\$ 45,059</u>	<hr/> <u>\$ 224,708,712</u>

**A. Cash in County Treasury**

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statement at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Cash in County Treasury consists of District cash held by the Yolo County Treasury that is invested in the county investment pool. The Treasury permits negative cash balances so long as the District's total cash in county treasury has a positive balance.

The fair value of the District's investment in the pool is reported in the financial statements at amounts that are based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The weighted average maturity of the pool is 913 days. The pool is rated AAA by Standard and Poor's.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**2. CASH AND INVESTMENTS (CONTINUED)**

**B. Cash in Revolving Funds and in Banks**

Cash balances held in banks and revolving funds are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

*Interest Rate Risk.* The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2025, the District had no significant interest rate risk related to cash and investments held.

**C. Local Agency Investment Fund (LAIF)**

The District places certain funds with the State of California's Local Agency Investment Fund (LAIF). The District is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California and the Pooled Money Investment Board. The State Treasurer's office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of the District's investment in this pool is reported in the accompanying financial statements based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The monies held in the pooled investment funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account within a twenty-four hours notice. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises and corporations.

LAIF is administered by the State Treasurer. This fund bore an average annual yield of approximately 4.41% for the fiscal year ended June 30, 2025. LAIF is currently unrated and has an average life of 248 days. Investments are audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office; 915 Capitol Mall; Sacramento, California 95814. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized.

**D. Cash with Fiscal Agent**

Cash with Fiscal Agent represents funds held by Fiscal Agents restricted for capital projects and repayment of General Obligation Bonds. The District holds their funds with the Yolo County Treasurer. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**3. INTERFUND TRANSACTIONS**

Transactions between funds of the District are recorded as interfund transfers. The unpaid balances at year-end, as a result of such transactions, are shown as due to and due from other funds.

Interfund Receivables/Payables

Individual fund interfund receivable and payable balances at June 30, 2025 were as follows:

Major Funds:	Interfund Receivables	Interfund Payables
General Fund	\$ 102,100	\$ 1,030
Non-Major Funds:		
Charter Fund	-	36,993
Adult Education Fund	-	65,107
Child Development Fund	1,031	-
Capital Facilities Fund	48,658	650,902
Debt Service Fund	<u>602,243</u>	-
	<u>\$ 754,032</u>	<u>\$ 754,032</u>

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers for the year ended June 30, 2025 are as follows:

Transfer from Capital Facilities Fund to Debt Service Fund to pay for the Clean Renewable Energy Bonds and Qualified School Construction Bonds.	\$ 763,013
Transfer from General Fund to Special Reserve Fund For Postemployment Benefits to provide funding for the Other Postemployment Benefits plan.	307,561
Transfer from General Fund to Special Reserve Fund For Other Than Capital Outlay to provide budget stabilization.	16,250,000
Transfer from Child Development Fund to Child Development Fund for Preschool Reserve Account	<u>93,553</u>
<b>Total Transfers</b>	<b><u>\$ 17,414,127</u></b>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions and Transfers	Deductions and Transfers	Balance June 30, 2025
<b>Non-depreciable assets:</b>				
Land	\$ 29,155,759	\$ -	\$ -	\$ 29,155,759
Work in progress	35,888,287	5,427,815	-	41,316,102
Subtotals	<u>65,044,046</u>	<u>5,427,815</u>	-	<u>70,471,861</u>
<b>Depreciable assets:</b>				
Buildings	274,814,457	416,066	-	275,230,523
Site Improvements	47,978,470	9,849,198	-	57,827,668
Equipment	20,156,308	117,180	-	20,273,488
Subtotals	<u>342,949,235</u>	<u>10,382,444</u>	-	<u>353,331,679</u>
Totals, at cost	<u>407,993,281</u>	<u>15,810,259</u>	-	<u>423,803,540</u>
<b>Accumulated depreciation:</b>				
Buildings and improvements	(89,585,077)	(5,784,452)	-	(95,369,529)
Site Improvements	(18,305,808)	(1,760,443)	-	(20,066,251)
Furniture and equipment	(15,814,327)	(690,981)	7,669,896	(8,835,412)
Subtotals	<u>(123,705,212)</u>	<u>(8,235,876)</u>	<u>7,669,896</u>	<u>(124,271,192)</u>
Capital assets, net	<u>\$ 284,288,069</u>	<u>\$ 7,574,383</u>	<u>\$ 7,669,896</u>	<u>\$ 299,532,348</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 9,080
School Site Administration	1,521
Food Services	41,097
All Other Pupil Services	4,282
Ancillary Services	1,530
Centralized Data Processing	9,248
All Other General Administration	969
Plant Services	<u>498,253</u>
Total depreciation expense	<u>\$ 565,980</u>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**5. LONG-TERM LIABILITIES**

**General Obligation Bonds**

The District's outstanding general obligation bonded debt as of June 30, 2025 are as follows:

**Current Interest Bonds:**

Description	Date Of Issue	Interest Rates	Maturity Date	Amount of Original Issue	Outstanding June 30, 2024	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2025
2004, Series A	August 2004	5.00% - 5.25%	8/1/2029	\$ 39,999,040	\$ 8,999,501	\$ -	\$ 1,534,463	\$ 7,465,038
2004, Series B	November 2006	4.00% 5.40%	8/1/2031	12,000,433	6,133,497	-	393,776	5,739,721
1999, Series B	February 2007	4.00% 7.51%	8/1/2031	7,469,422	3,279,422	-	-	3,279,422
2020, Series A	June 2021	2.00% 5.00%	8/1/2051	60,000,000	51,570,000	-	500,000	51,070,000
2024 Refunding	May 2024	5.00%	8/1/2040	17,950,000	17,950,000	-	180,000	17,770,000
2014, Series 2015	July 2015	3.15% 5.00%	8/1/2040	24,900,000	580,000	-	580,000	-
2015 Refunding	July 2015	3.00% - 5.00%	8/1/2024	5,945,000	615,000	-	615,000	-
2014, Series 2017	June 2017	3.00% - 5.00%	8/1/2042	24,900,000	22,780,000	-	405,000	22,375,000
2019 Refunding	July 2019	2.00% - 4.00%	8/1/2025	4,670,000	1,820,000	-	875,000	945,000
2020, Series B	November 2023	4.00% - 8.00%	8/1/2025	50,000,000	50,000,000	-	2,080,000	47,920,000
				Totals	\$ 247,833,895	\$ 163,727,420	\$ -	\$ 7,163,239
							Premium on Bonds	6,891,990
							Total	\$ 163,456,171

**Capital Appreciation Bonds:**

Date of Issue	Interest Rate	Maturity Date	Amount of Original Issue	Outstanding June 30, 2024	Interest Current Year	Redeemed Current Year	Outstanding June 30, 2025
2004	5.4% - 5.730%	2029	\$ 10,554,040	\$ 18,277,155	\$ 2,858,555	\$ 4,535,000	\$ 16,600,710
2006	4.51% - 5.4%	2031	6,905,433	8,200,175	1,062,328	875,000	8,387,503
2007	4.56%-7.511%	2031	3,279,422	4,341,992	385,480	-	4,727,472
			Totals	\$ 20,738,895	\$ 30,819,322	\$ 4,306,363	\$ 5,410,000
							\$ 29,715,685

In August 2004, the District issued 2004 General Obligation Bonds, Series A totaling \$39,999,040. Repayment of the Bonds is made from ad valorem taxes to be levied annually upon all property subject to taxation by the District. The Current Interest and Capital Appreciation Bonds bear interest rates from 5.0% to 5.25% and are scheduled to mature through August 2029. With the issuance of the 2012 Refunding General Obligation Bonds in October 2012, all of the current interest Series A bonds were refunded.

Year Ended	June 30	Principal	Interest	Total
2026	\$ 1,516,593	\$ 3,293,407	\$ 4,810,000	
2027	1,497,828	3,597,172	5,095,000	
2028	1,486,159	3,918,841	5,405,000	
2029	1,482,523	4,247,477	5,730,000	
2030	1,481,935	4,593,065	6,075,000	
Totals	\$ 7,465,038	\$ 19,649,962	\$ 27,115,000	

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**5. LONG-TERM LIABILITIES (CONTINUED)**

**General Obligation Bonds**

In November 2006, the District issued 2004 General Obligation Bonds, Series B totaling \$12,000,433. Repayment of the Bonds is made from ad valorem taxes to be levied annually upon all property subject to taxation by the District. The current interest and capital appreciation bonds bear interest rates from 4.0% to 5.4% and are scheduled to mature through August 2031. With the issuance of the 2016 Refunding General Obligation Bonds in June 2015, \$2,895,000 of the current interest Series B bonds were refunded.

Year Ended June 30	Principal	Interest	Total
2026	\$ 396,473	\$ 528,527	\$ 925,000
2027	399,909	580,091	980,000
2028	401,942	633,058	1,035,000
2029	406,384	693,616	1,100,000
2030	410,185	754,815	1,165,000
2031-2032	3,724,828	8,690,172	12,415,000
Totals	<u>\$ 5,739,721</u>	<u>\$ 11,880,279</u>	<u>\$ 17,620,000</u>

In February 2007, the District issued 1999 General Obligation Bonds, Series B totaling \$7,469,422. Repayment of the Bonds is made from ad valorem taxes to be levied annually upon all property subject to taxation by the District. The Current Interest and Capital Appreciation Bonds bear interest rates from 4.0% to 7.51% and are scheduled to mature through August 2031. With the issuance of the 2016 Refunding General Obligation Bonds in June 2015, \$3,410,000 of the current interest Series B bonds were refunded.

Year Ended June 30	Principal	Interest	Total
2026	\$ 316,492	\$ 573,818	\$ 890,310
2027	525,873	774,424	1,300,297
2028	530,278	849,062	1,379,340
2029	536,598	928,186	1,464,784
2030	542,030	1,010,289	1,552,319
2031-2032	828,151	1,940,545	2,768,696
Totals	<u>\$ 3,279,422</u>	<u>\$ 6,076,324</u>	<u>\$ 9,355,746</u>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**5. LONG-TERM LIABILITIES (CONTINUED)**

**General Obligation Bonds**

In November 2010, the District issued 2010 General Obligation Refunding Bonds in the aggregate principal amount of \$9,510,000 for the purpose of refunding \$8,740,000 of its 1999 General Obligation Bonds, Series A. Repayment of the Bonds is made from ad valorem taxes to be levied annually upon all property subject to taxation by the District. The bonds consist of serial bonds bearing various fixed interest rates from 2% to 4% and mature through August 2025. The 2010 General Obligation Refunding Bonds were refunded in 2019 by the 2019 Refunding bonds.

In June 2021, the District issued 2020 General Obligation Series A Bonds in the aggregate principal amount of \$60,000,000 to provide funds to finance school facility improvements approved by the District's voters at an election held on November 3, 2020 and pay costs of issuance of the Bonds. Repayment of the Bonds is made from ad valorem taxes to be levied annually upon all property subject to taxation by the District. The current interest bonds bear interest rates from 2.0% to 5.0% and are scheduled to mature through August 2051.

Year Ended June 30	Principal	Interest	Total
2026	\$ 220,000	\$ 1,446,200	\$ 1,666,200
2027	295,000	1,433,325	1,728,325
2028	375,000	1,416,575	1,791,575
2029	465,000	1,395,575	1,860,575
2030	560,000	1,369,950	1,929,950
2031-2035	4,465,000	6,324,200	10,789,200
2036-2040	7,815,000	5,238,850	13,053,850
2041-2045	11,625,000	4,159,191	15,784,191
2046-2050	16,770,000	2,273,434	19,043,434
2051-2052	8,480,000	215,375	8,695,375
Totals	<u>\$ 51,070,000</u>	<u>\$ 25,272,675</u>	<u>\$ 76,342,675</u>

In October 2012, the District issued 2012 General Obligation Refunding Bonds, consisting of \$21,150,000 Serial Bonds. The proceeds were to be used solely to refund that portion of the District's Election of 2004 General Obligation Bonds, Series A. Repayment of the Bonds is made from ad valorem taxes to be levied annually upon all property subject to taxation by the District. The current interest bonds bear interest rates from 2.0% to 4.0% and matured in August 2022.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**5. LONG-TERM LIABILITIES (CONTINUED)**

**General Obligation Bonds**

In May 2024, the District issued 2020 General Obligation Series B Bonds in the aggregate principal amount of \$50,000,000 to provide funds to finance school facility improvements approved by the District's voters at an election held on November 3, 2020 and pay costs of issuance of the Bonds. Repayment of the Bonds is made from ad valorem taxes to be levied annually upon all property subject to taxation by the District. The current interest bonds bear interest rates from 4.0% to 8.0% and are scheduled to mature through August 2051.

Year Ended June 30	Principal	Interest	Total
2026	\$ 1,700,000	\$ 2,112,788	\$ 3,812,788
2027	-	2,044,788	2,044,788
2028	-	2,044,788	2,044,788
2029	-	2,044,788	2,044,788
2030	155,000	2,038,588	2,193,588
2031-2035	2,410,000	9,832,988	12,242,988
2036-2040	5,990,000	8,727,438	14,717,438
2041-2045	10,925,000	6,812,913	17,737,913
2046-2050	17,420,000	3,942,206	21,362,206
2051-2052	9,320,000	404,175	9,724,175
Totals	<u>\$ 47,920,000</u>	<u>\$ 40,005,456</u>	<u>\$ 87,925,456</u>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**5. LONG-TERM LIABILITIES (CONTINUED)**

**General Obligation Bonds**

In July 2015, the District issued 2015 General Obligation Bonds, consisting of \$24,900,000 Serial Bonds. Repayment of the Bonds is made from ad valorem taxes to be levied annually upon all property subject to taxation by the District. The current interest bonds bear interest rates from 3.15% to 5.0% and are scheduled to mature through August 2040. With the issuance of the 2024 Refunding General Obligation Bonds in May 2024, \$20,545,000 of the current interest bonds were refunded.

In July 2015, the District issued 2015 General Obligation Refunding Bonds, consisting of \$5,945,000 Serial Bonds. The proceeds are to be used solely to refund that portion of the District's Election of 2004 General Obligation Bonds, Series B and 1999 General Obligation Bonds, Series B. Repayment of the Bonds is made from ad valorem taxes to be levied annually upon all property subject to taxation by the District. The current interest bonds bear interest rates from 3.0% to 5.0% and matured in August 2024.

In November 2023, the District issued 2024 General Obligation Refunding Bonds, consisting of \$17,95,000 Serial Bonds to refund a portion of the District's outstanding General Obligation Bonds, Election of 2014, Series 2015 and pay certain costs of issuance. Repayment of the Bonds is made from ad valorem taxes to be levied annually upon all property subject to taxation by the District. The current interest bonds bear interest rate of 5.0% and are scheduled to mature through August 2040.

Year Ended June 30	Principal	Interest	Total
2026	\$ 450,000	\$ 877,250	\$ 1,327,250
2027	525,000	852,875	1,377,875
2028	555,000	825,875	1,380,875
2029	635,000	796,125	1,431,125
2030	715,000	762,375	1,477,375
2031-2035	4,960,000	3,153,000	8,113,000
2036-2040	7,910,000	1,563,000	9,473,000
2041	2,020,000	50,500	2,070,500
<b>Totals</b>	<b>\$ 17,770,000</b>	<b>\$ 8,881,000</b>	<b>\$ 26,651,000</b>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**5. LONG-TERM LIABILITIES (CONTINUED)**

**General Obligation Bonds**

In June 2017, the District issued General Obligation Bonds Election of 2014, Series 2017 in the amount of \$24,900,000 to finance specific school facilities projects. Repayment of the Bonds is made from ad valorem taxes to be levied annually upon all property subject to taxation by the District. The bonds were issued at interest rates ranging from 3.0% to 5.0% and are scheduled to mature through August 2042.

Year Ended	Principal	Interest	Total
June 30			
2026	\$ 460,000	\$ 762,875	\$ 1,222,875
2027	520,000	738,375	1,258,375
2028	620,000	709,875	1,329,875
2029	670,000	677,625	1,347,625
2030	735,000	642,500	1,377,500
2031-2035	4,585,000	2,793,850	7,378,850
2036-2040	6,200,000	1,963,647	8,163,647
2041-2043	8,585,000	507,272	9,092,272
Totals	<u>\$ 22,375,000</u>	<u>\$ 8,796,019</u>	<u>\$ 31,171,019</u>

In July 2019, the District issued 2019 General Obligation Refunding Bonds in the aggregate principal amount of \$4,670,000 for the purpose of refunding \$5,070,000 of its 2010 General Obligation Refunding Bonds. Repayment of the Bonds is made from ad valorem taxes to be levied annually upon all property subject to taxation by the District. The bonds consist of serial bonds bearing various fixed interest rate of 5% and mature through August 2025.

Year Ended	Principal	Interest	Total
June 30			
2026	\$ 945,000	\$ 23,625	\$ 968,625
Totals	<u>\$ 945,000</u>	<u>\$ 23,625</u>	<u>\$ 968,625</u>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**5. LONG-TERM LIABILITIES (CONTINUED)**

**General Obligation Bonds**

The combined annual requirements to amortize the General Obligation Bonds payable and outstanding as of June 30, 2025 are as follows:

Year Ended June 30	Principal	Interest	Total
2026	\$ 6,004,558	\$ 9,618,490	\$ 15,623,048
2027	3,763,610	10,021,050	13,784,660
2028	3,968,379	10,398,074	14,366,453
2029	4,195,505	10,783,392	14,978,897
2030	4,599,150	11,171,582	15,770,732
2031-2035	20,972,979	32,734,755	53,707,734
2036-2040	27,915,000	17,492,934	45,407,934
2041-2045	33,155,000	11,529,875	44,684,875
2046-2050	34,190,000	6,215,641	40,405,641
2051-2052	17,800,000	619,550	18,419,550
Totals	<u>\$ 156,564,181</u>	<u>\$ 120,585,340</u>	<u>\$ 277,149,521</u>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**5. LONG-TERM LIABILITIES (CONTINUED)**

**Certificates of Participation**

The outstanding certificates of participation debt is as follows:

Description	Date of Issue	Interest Rates	Maturity Date	Original Issue	Outstanding June 30, 2024	Issued	Redeemed	Outstanding June 30, 2025
2014 COP	December 2014	2.00% - 3.75%	8/1/2039	\$ 6,055,000	\$ 5,150,000	\$ -	\$ 175,000	\$ 4,975,000
2017 Refunding COP	June 2017	3.00% - 5.00%	8/1/2036	\$ 63,805,000	\$ 46,600,000	\$ -	\$ 2,800,000	\$ 43,800,000
			Total	\$ 69,860,000	\$ 51,750,000	\$ -	\$ 2,975,000	\$ 48,775,000
							Premium on COP	\$ 3,115,751
							Total	\$ 51,890,751

In December 2014, the District issued Certificates of Participation (COPs) in the amount of \$6,055,000 with an interest rate from 2.0% to 3.75% maturing through December 2039. The annual requirements to amortize the 2014 COPs as of June 30, 2025 are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 190,000	\$ 177,731	\$ 367,731
2027	225,000	170,469	395,469
2028	245,000	162,244	407,244
2029	270,000	153,231	423,231
2030	290,000	143,431	433,431
2031-2035	1,730,000	545,516	2,275,516
2036-2040	2,025,000	210,656	2,235,656
Totals	\$ 4,975,000	\$ 1,563,278	\$ 6,538,278

In June 2017, the District issued Certificates of Participation (COPs) in the amount of \$63,805,000 with an interest rate from 3.0% to 5.0% maturing through August 2036. The proceeds are used to refund in full the 2007 COPs, to finance various capital improvements, and to pay certain delivery costs of the Certificates. The annual requirements to amortize the 2017 COPs as of June 30, 2025 are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 2,950,000	\$ 1,513,894	\$ 4,463,894
2027	3,090,000	1,362,894	4,452,894
2028	3,230,000	1,221,044	4,451,044
2029	3,365,000	1,089,144	4,454,144
2030	3,500,000	951,844	4,451,844
2031-2035	19,325,000	2,827,909	22,152,909
2036-2040	8,340,000	259,062	8,599,062
Totals	\$ 43,800,000	\$ 9,225,791	\$ 53,025,791

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**5. LONG-TERM LIABILITIES (CONTINUED)**

**Certificates of Participation**

The annual requirements to amortize the combined COPs as of June 30, 2025 are as follows:

Year Ended	Principal	Interest	Total
June 30,			
2026	\$ 3,140,000	\$ 1,691,625	\$ 4,831,625
2027	3,315,000	1,533,363	4,848,363
2028	3,475,000	1,383,288	4,858,288
2029	3,635,000	1,242,375	4,877,375
2030	3,790,000	1,095,275	4,885,275
2031-2035	21,055,000	3,373,425	24,428,425
2036-2040	10,365,000	469,718	10,834,718
<b>Totals</b>	<b><u>\$ 48,775,000</u></b>	<b><u>\$ 10,789,069</u></b>	<b><u>\$ 59,564,069</u></b>

**Qualified School Construction Bonds**

On April 9, 2010, the District received \$8,885,432 financing in the form of Qualified School Construction Bonds (QSCB) to provide resources for the implementation of a district-wide energy efficiency projects including the solar project at the River City High School. Under the lease, the principal components of the QSCB payments to be paid by the District are to be accumulated in a sinking fund and are to be paid in a lump sum on March 15, 2026, the maturity date. As of June 30, 2025, \$7,888,080 was held by Yolo County Treasury as fiscal agent in the sinking fund. The bonds bear interest at 1.42% payable quarterly. The annual requirements to amortize the QSCB as of June 30, 2025 are as follows:

June 30,	Principal	Interest	Total
2026	\$ 8,885,432	\$ 94,630	\$ 8,980,062
<b>Total</b>	<b><u>\$ 8,885,432</u></b>	<b><u>\$ 94,630</u></b>	<b><u>\$ 8,980,062</u></b>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**5. LONG-TERM LIABILITIES (CONTINUED)**

**Clean Renewable Energy Bonds**

On October 23, 2012, the District issued \$7,306,260 of Clean Renewable Energy Bonds (CREB) at an interest rate of 5.09%, maturing through October 2029 to fund solar projects. The District receives a Federal interest subsidy. The full value of the subsidy rate is 3.01%. The amount of the Federal subsidy has in the past, and may in the future, be decreased. The annual requirements to amortize the CREB as of June 30, 2025 are as follows:

June 30,	Principal	Interest	Total
2026	\$ 488,555	\$ 129,618	\$ 618,173
2027	498,717	104,751	603,468
2028	509,090	79,366	588,456
2029	519,680	53,454	573,134
2030	530,489	27,002	557,491
<b>Total</b>	<b><u>\$ 2,546,531</u></b>	<b><u>\$ 394,191</u></b>	<b><u>\$ 2,940,722</u></b>

**Summary of Long-Term Liabilities**

A schedule of changes in long-term liabilities for the year ended June 30, 2025, is shown below.

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Balance Due In One Year
General Obligation Bonds					
Current Interest	\$ 163,727,420	\$ -	\$ 7,163,239	\$ 156,564,181	\$ 6,001,861
Capital Appreciation	30,819,322	4,306,363	5,410,000	29,715,685	6,460,000
Certificates of Participation	51,750,000	-	2,975,000	48,775,000	3,140,000
Qualified School Construction Bonds	8,885,432	-	-	8,885,432	-
Clean Renewable Energy Bonds	3,025,132	-	478,601	2,546,531	488,555
Net pension liability (Note 6)	88,614,938	-	7,555,337	81,059,601	-
Net OPEB liability (Note 7)	19,504,066	920,264	-	20,424,330	-
Compensated Absences*	15,039,270	168,076	-	15,207,346	-
<b>Subtotal</b>	<b>381,365,580</b>	<b>5,394,703</b>	<b>23,582,177</b>	<b>363,178,106</b>	<b>16,090,416</b>
Unamortized general obligation bond premium	7,261,983	-	369,993	6,891,990	-
Unamortized certificates of participation premium	3,398,930	-	283,179	3,115,751	-
Unamortized Loss on Refunding COPs	(2,033,684)	-	(169,474)	(1,864,210)	-
Unamortized Loss on Refunding Bonds	(2,585,636)	-	(179,855)	(2,405,781)	-
Total Deferred Inflows/(Outflows) related to debt issuances	6,041,593	-	303,843	5,737,750	-
<b>Total Long-term Liabilities</b>	<b>\$ 387,407,173</b>	<b>\$ 5,394,703</b>	<b>\$ 23,886,020</b>	<b>\$ 368,915,856</b>	<b>\$ 16,090,416</b>

\* includes prior period adjustment for GASB 101 implementation.

Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments on the Certificates of Participation are made from the Capital Facilities Fund. Payments on the Qualified School Construction Bonds and the Clean Renewable Energy Bonds are made from the Debt Service Fund. Payments on net pension liability, compensated absences and the total OPEB liability are made from the fund for which the related employee worked.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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## **6. EMPLOYEE RETIREMENT SYSTEMS**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS).

### **Plan Description**

#### **California Public Employees' Retirement System (CalPERS)**

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Headquarters, 400 Q Street, Sacramento, California 95811.

#### **State Teachers' Retirement System (STRS)**

The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing, multiple-employer, public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS Headquarters, 100 Waterfront Place, West Sacramento, California 95605.

The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

	<b>CalPERS</b>		<b>CalSTRS</b>	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formula	2% @ 55	2% @ 62	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	60	62
Monthly benefits, as a % of eligible compensation	2.0%	2.0%	2.0%	2.0%
Required employee contribution rates	7%	8%	10.25%	10.21%
Required employer contribution rates	27.05%	27.05%	19.10%	19.10%

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

Contributions

**CalPERS**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**STRS**

Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

For the year ended June 30, 2025, the contributions reported as deferred outflows of resources related to pensions recognized as part of pension expense for each Plan were as follows:

	<b>CalPERS</b>	<b>STRS</b>	<b>Total</b>
Contributions - employer	\$ 5,586,926	\$ 9,039,110	\$ 14,626,036
On behalf contributions - state	-	4,271,875	4,271,875
<b>Total</b>	<b>\$ 5,586,926</b>	<b>\$ 13,310,985</b>	<b>\$ 18,897,911</b>

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2025, the District's reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	<b>Proportionate Share of Net Pension Liability</b>
CalPERS	\$ 34,948,040
STRS	46,111,561
<b>Total Net Pension Liability</b>	<b>\$ 81,059,601</b>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2024 was as follows:

<b>Measurement</b>		<b>Fiscal Year</b>	<b>CalPERS</b>	<b>STRS</b>
<b>Dates</b>				
June 30, 2023	2023-24		0.09865%	0.06947%
June 30, 2024	2024-25		0.09779%	0.06866%
Change - Increase (Decrease)			<u>-0.00086%</u>	<u>-0.00081%</u>

For the year ended June 30, 2025, the District recognized pension expense of \$22,462,133. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>CalPERS</b>		<b>STRS</b>		<b>Total</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 5,586,926	\$ -	\$ 13,310,985	\$ -	\$ 18,897,911	\$ -
Difference between proportionate share of aggregate employer contributions and actual contributions for 2023-24	699,594	4,257,125	731,409	5,155,973	1,431,003	9,413,098
Changes of Assumptions	772,470	-	201,850	3,149,260	974,320	3,149,260
Differences between Expected and Actual Experience	2,929,882	250,122	5,215,812	2,016,433	8,145,694	2,266,555
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	6,959,411	3,795,480	21,523,399	6,902,498	28,482,810	10,697,978
Net differences between projected and actual investment earnings on pension plan investments	1,357,529	-	-	186,058	1,357,529	186,058
<b>Total</b>	<b><u>\$ 18,305,812</u></b>	<b><u>\$ 8,302,727</u></b>	<b><u>\$ 40,983,455</u></b>	<b><u>\$ 17,410,222</u></b>	<b><u>\$ 59,289,267</u></b>	<b><u>\$ 25,712,949</u></b>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized as pension expense as follows:

<b>Year Ended</b>				<b>Total Deferred Outflows/ (Inflows) of Resources</b>
<b>June 30</b>	<b>CalPERS</b>	<b>STRS</b>		
2026	\$ 1,055,770	\$ 1,455,403	\$ 2,511,173	
2027	1,055,770	1,455,403	2,511,173	
2028	1,055,770	1,455,403	2,511,173	
2029	977,344	1,455,403	2,432,747	
2030	271,505	1,455,406	1,726,911	
Thereafter	-	2,985,230	2,985,230	
<b>Total</b>	<b>\$ 4,416,159</b>	<b>\$ 10,262,248</b>	<b>\$ 14,678,407</b>	

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

	<b>CalPERS</b>	<b>STRS</b>
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	6.90%	7.10%
Inflation	2.30%	2.75%
Payroll Growth Rate	2.80%	3.25%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return <sup>(1)</sup>	6.80%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

<sup>(1)</sup> Net of pension plan investment expenses, including inflation.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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## **6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing morality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

STRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP- 2021 Ultimate Projection Scale.

### **Discount Rate**

#### **CalPERS**

The discount rate used to measure the total pension liability for the Plan was 6.90%. These discount rates are equal to the long-term expected rate of return of the respective plan assets and are net of investment expense but not reduced for administrative expenses.

In determining the long-term expected rate of return, CalPERS took into account 20-year market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are on the following table:

<b>Asset Class</b>	<b>CalPERS</b>	
	<b>Assumed Asset Allocation</b>	<b>Real Return <sup>(a)(b)</sup></b>
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
	<b>100.0%</b>	

<sup>(a)</sup> An expected inflation of 2.30% used for this period.

<sup>(b)</sup> Figures are based on the 2021-22 Asset Liability Management study.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

Discount Rate

**STRS**

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases actuarially determined. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of our 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, STRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

Asset Class	STRS		
	Assumed Asset Allocation	Long-Term Expected Real Rate of Return <sup>(a)(b)</sup>	
Public Equity	38.0%	5.25%	
Real Estate	15.0%	4.05%	
Private Equity	14.0%	6.75%	
Fixed Income	14.0%	2.45%	
Risk Mitigating Strategies	10.0%	2.25%	
Inflation Sensitive	7.0%	3.65%	
Cash/Liquidity	2.0%	0.05%	
Total	100%		

<sup>(a)</sup> 20- to 30-year geometric average.

<sup>(b)</sup> Real rates of return are net of assumed 2.75%

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>CalPERS</b>		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Plan's Net Pension Liability/(Asset)	\$ 51,915,606	\$ 34,948,040	\$ 20,931,481

	<b>STRS</b>		
	Discount Rate - 1% (6.10%)	Current Discount Rate (7.10%)	Discount Rate + 1% (8.10%)
Plan's Net Pension Liability/(Asset)	\$ 82,017,378	\$ 46,111,561	\$ 16,128,713

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS and STRS comprehensive annual financial reports available on the CalPERS' and STRS' websites.

**Payable to the Pension Plan**

As of June 30, 2025, the District had no outstanding required contributions to the pension plans.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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## **7. OTHER POSTEMPLOYMENT BENEFITS**

### **General Information about the OPEB Plan**

*Plan description.* The plan is a single-employer defined benefit OPEB plan to eligible retirees. All employees who retire from the District on or after attaining age 55 with at least 10 years of service.

The District's Plan is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the District. The Plan, which is administered by the District, allows employees who retire and meet retirement eligibility requirements under one of the District's retirement plans to continue medical, dental and life insurance coverage as a participant in the District's plan. The District's Governing Board has the authority to establish or amend the benefit terms offered by the Plan. The District's Governing Board also retains the authority to establish the requirements for paying the Plan benefits as they come due.

The Plan has no assets, does not issue financial statements, and is not a trust.

*Benefits provided.* The benefits provided are the same as those provided for active employees. Classified Employees with 40 years of service are eligible for the PEMHCA minimum employer contribution under the unequal method.

*Employees covered by benefit terms.* At June 30, 2023 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	40
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>707</u>
	<u>747</u>

*Contributions.* California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board. Retirees participating in the group insurance plans offered by the District are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. The District's premium rates being charged to these retirees are lower than the expected cost for a retiree population under age 65. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost.

Contributions to the Plan from the District were \$708,828 for the year ended June 30, 2025. Employees are not required to contribute to the OPEB plan.

### **Net OPEB Liability**

The District's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**7. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

*Actuarial assumptions.* The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Amortization period	13.4 years
Asset valuation method	There are no plan assets
Inflation	2.50% per year
Healthcare cost trend rates	4.00% per year
Payroll increase	2.75% per year
Investment rate of return	3.93% per year net of expenses based on the Bond Buyer 20 Bond Index
Mortality	
Certified	2020 CalSTRS Mortality
Classified	2021 CalPERS Mortality for Miscellaneous and Schools Employees
Retirement	
Certified Management	Hired 2012 and earlier: 2020 CalSTRS 2.0%@60 Rates Hired 2013 and later: 2020 CalSTRS 2.0%@62 Rates
Certified	Hired 2012 and earlier: 2020 CalSTRS 2.0%@60 Rates Hired 2013 and later: 2020 CalSTRS 2.0%@62 Rates
Classified	Hired 2012 and earlier: 2021 CalPERS 2.0%@55 Rates for Schools Employees Hired 2013 and later: 2021 CalPERS 2.0%@62 Rates for School Employees
Classified Management	Hired 2012 and earlier: 2021 CalPERS 2.0%@55 Rates for Schools Employees Hired 2013 and later: 2021 CalPERS 2.0%@62 Rates for School Employees

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	\$	\$	\$
Balances at June 30, 2023, Measurement Date	\$ 19,504,066	\$ -	\$ 19,504,066
Changes for the year:			
Service cost	1,387,878	-	1,387,878
Interest	724,291	-	724,291
Contributions - employer	-	708,828	(708,828)
Changes in assumptions	(483,077)	-	(483,077)
Experience (gains)/losses from employer	-	-	-
Expected minus actual benefit payments	(708,828)	(708,828)	-
Net changes	920,264	-	920,264
Balances at June 30, 2024, Measurement Date	<u><u>\$ 20,424,330</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 20,424,330</u></u>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**7. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

*Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.* The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

	<b>1% Decrease (2.93%)</b>	<b>Discount Rate (3.93%)</b>	<b>1% Increase (4.93%)</b>
Net OPEB liability (asset)	\$ 22,094,561	\$ 20,424,330	\$ 18,945,521

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

	<b>Trend 1% Lower</b>	<b>Valuation Trend</b>	<b>Trend 1% Higher</b>
Net OPEB liability (asset)	\$ 17,881,494	\$ 20,424,330	\$ 23,409,133

*OPEB plan fiduciary net position.* The plan has no assets.

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

For the year ended June 30, 2025, the District recognized OPEB expense of (\$1,974,274). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,147,954	\$ (1,277,210)
Changes of assumptions	1,310,080	(2,827,011)
<b>Total</b>	<b>\$ 2,458,034</b>	<b>\$ (4,104,221)</b>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**7. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

The District will recognize the contributions made subsequent to the measurement date in the next fiscal year. In addition, future recognition of these deferred resources is shown below:

<b>Year ended June 30</b>	<b>Total Deferred Outflows/(Inflows)</b>
	<b>of Resources</b>
2026	\$ (132,525)
2027	(132,525)
2028	(132,525)
2029	(132,525)
2030	(132,525)
Thereafter	(983,562)
<b>Total</b>	<b>\$ (1,646,187)</b>

**Payable to the OPEB Plan**

At June 30, 2025, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2025.

**8. EXCESS EXPENDITURES**

The District incurred unanticipated expenditures in excess of appropriations in expenditure classifications for which the budget was not revised.

Excess of expenditures over appropriations for the year ended June 30, 2025 were as follows:

	<u>Excess Expenditures</u>
<u>General Fund</u>	
Certificated salaries	\$ 615,823
Classified salaries	568,020
Capital outlay	7,384,491
Other outgo	45,162

The excess is not in accordance with Education Code 42600. The excess expenditures for certificated salaries were related to a 2.5% COLA increase and 4% raises for staff and classified salaries were related to a 2.5% COLA increase and 4.5% raises for staff. The excess expenditures for capital outlay were due to concrete paving at the sites being higher than expected. The excess expenditures for other outgo was due to Yolo SELPA billback being higher than expected.

**9. FUND BALANCES**

The District reports fund balances in accordance with Governmental Accounting Standards Board Statement No. 54. All fund balance categories are reported in the aggregate on the face of the balance sheet. All components of those fund balances and specific purposes are identified on the following page.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**9. FUND BALANCES (CONTINUED)**

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Funds	Total
<b>Nonspendable:</b>					
Revolving Cash	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
Inventory	-	-	-	210,940	210,940
Total Nonspendable	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>210,940</u>	<u>235,940</u>
<b>Restricted:</b>					
Expanded Learning Opportunities Program	3,657,186	-	-	-	3,657,186
Special Education	764,119	-	-	-	764,119
Special Education Early Intervention Preschool Grant	907,304	-	-	-	907,304
Mental Health-Related Services	-	-	-	24,852	24,852
Arts, Music, and Instructional Materials Discretionary Block Grant	3,161,464	-	-	60,381	3,221,845
Arts and Music in Schools (AMS)-Funding Guarantee and Accountability Act (Prop 28)	1,973,704	-	-	-	1,973,704
Learning Recovery Emergency Block Grant	2,394,457	-	-	156,236	2,550,693
Educator Effectiveness, FY 2021-22	602,416	-	-	7,052	609,468
A-G Access/Success Grant	392,963	-	-	12,911	405,874
A-G Learning Loss Mitigation Grant	-	-	-	71,444	71,444
Literacy Coaches and Reading Specialists Grant Program	801,746	-	-	-	801,746
Classified School Employee Professional Development Block Grant	1,397	-	-	-	1,397
Dual Enrollment Opportunities	-	-	-	113,289	113,289
Other Restricted Local	2,561,392	74,156,198	25,040,574	19,669,457	121,427,621
CalWORKs for ROCP or Adult Education	-	-	-	30,669	30,669
Adult Education Program	-	-	-	76,666	76,666
California Clean Energy Jobs Act	-	-	-	223,111	223,111
CA Community Schools Partnership Act- Implementation grant	1,190,396	-	-	-	1,190,396
Lottery: Instructional Materials	120,072	-	-	38,025	158,097
Early Education: Center-Based Reserve Account	-	-	-	110,353	110,353
LCFF Equity Multiplier	598,318	-	-	-	598,318
Expanded Learning Opportunities (ELO)	57,729	-	-	383,145	440,874
Other Restricted State	-	-	-	289,875	289,875
Student Activity Funds	-	-	-	8,593,298	8,593,298
Child Nutrition: School Programs	-	-	-	965,913	965,913
Child Nutrition: Kitchen Infrastructure Upgrade Funds	-	-	-	-	-
Child Nutrition: COVID CARES Act Supplemental Meal Reimbursement	-	-	-	271,089	271,089
Child Nutrition: Supply Chain Assistance (SCA) Funds	-	-	-	614,436	614,436
Child Nutrition: Child Care Food Program	-	-	-	511,866	511,866
Early Education: Coronavirus Response and Relief Supplemental appropriations C(CRRSA) Act - One-time Stipend	-	-	-	57,881	57,881
Early Education: ARP California State Preschool Program	-	-	-	50,141	50,141
- Rate Supplements	-	-	-	333,474	333,474
Total Restricted	<u>19,184,663</u>	<u>74,156,198</u>	<u>25,040,574</u>	<u>32,274,177</u>	<u>151,097,108</u>
<b>Committed:</b>					
Other commitments	30,342,846	667,152	-	20,018,530	51,028,528
Total Committed	<u>30,342,846</u>	<u>667,152</u>	<u>-</u>	<u>20,018,530</u>	<u>51,028,528</u>
<b>Assigned:</b>					
<b>Unassigned:</b>					
Reserve for Economic Uncertainties	8,854,103	-	-	-	8,854,103
Unappropriated	7,437,582	-	-	-	7,437,582
Total Unassigned	<u>16,291,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,291,685</u>
Total Fund Balances	<u>\$ 65,844,194</u>	<u>\$ 74,823,350</u>	<u>\$ 25,040,574</u>	<u>\$ 52,945,143</u>	<u>\$ 218,653,261</u>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**10. JOINT VENTURES**

The District participates in four joint ventures under Joint Powers Agreements (JPA): Northern California Regional Liability Excess Fund NCR) for liability insurance, School Project for Utility Rate Reduction (SPURR) for wholesale natural gas, North Valley Schools Insurance Group (NVSIG) for workers compensation insurance, Schools Excess Liability Fund (SELF) for excess insurance coverage.

The relationship between District and the JPAs are such that the JPAs are not a component unit of the District for financial reporting purposes.

The most recently available audited, condensed financial information for the JPAs is as follows:

	<b>NCR</b> <u>June 30, 2024</u>	<b>NVSIG</b> <u>June 30, 2024</u>	<b>SPURR</b> <u>June 30, 2024</u>	<b>PIPS</b> <u>June 30, 2024</u>
Total Assets	<u>\$ 60,197,497</u>	<u>\$ 4,221,757</u>	<u>\$ 27,962,068</u>	<u>\$ 355,843,948</u>
Total Liabilities	<u>33,663,136</u>	<u>918,359</u>	<u>16,606,062</u>	<u>232,047,232</u>
Net Position	<u>\$ 26,534,361</u>	<u>\$ 3,303,398</u>	<u>\$ 11,356,006</u>	<u>\$ 123,796,716</u>
Revenues	<u>\$ 102,463,560</u>	<u>\$ 13,966,263</u>	<u>\$ 3,515,140</u>	<u>\$ 434,574,777</u>
Expenditures	<u>107,276,977</u>	<u>13,650,996</u>	<u>65,500</u>	<u>396,182,636</u>
Change in Net Position	<u>\$ (4,813,417)</u>	<u>\$ 315,267</u>	<u>\$ 3,449,640</u>	<u>\$ 38,392,141</u>

Audited financial statements for the JPAs are prepared annually and can be obtained from management of the individual JPAs.

**11. COMMITMENTS AND CONTINGENCIES**

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

Also, the District has received federal and state funds for specific purposes that are subject to review or audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**12. SUBSEQUENT EVENTS**

In September 2025, the District entered into a Lease Purchase Financing Agreement for \$12,140,000 with Public Property Financing Corporation of California.

The District's management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2025 through December 12, 2025, the date the financial statements were issued. Management is not aware of any subsequent events, other than those described above, that would require recognition or disclosure in the accompanying financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**WASHINGTON UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP) AND ACTUAL**

**GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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	<b>Budget</b>			<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
LCFF sources	\$ 95,028,145	\$ 97,471,547	\$ 97,475,300	\$ 3,753
Federal revenue	11,703,060	12,296,060	9,969,341	(2,326,719)
Other state revenues	18,564,964	17,207,507	19,192,209	1,984,702
Other local revenues	<u>5,311,189</u>	<u>7,807,753</u>	<u>10,679,144</u>	<u>2,871,391</u>
Total revenues	<u>130,607,358</u>	<u>134,782,867</u>	<u>137,315,994</u>	<u>2,533,127</u>
<b>EXPENDITURES</b>				
Certificated salaries	47,536,234	47,927,975	48,543,798	(615,823)
Classified salaries	20,060,355	20,336,541	20,904,561	(568,020)
Employee benefits	29,641,455	28,631,916	28,506,696	125,220
Books and supplies	12,108,458	7,946,327	4,850,342	3,095,985
Services and other operating expenditures	21,547,747	29,409,817	25,879,223	3,530,594
Capital outlay	9,432,181	2,884,575	10,269,066	(7,384,491)
Other outgo	<u>1,309,018</u>	<u>1,315,077</u>	<u>1,360,239</u>	<u>(45,162)</u>
Total expenditures	<u>141,635,448</u>	<u>138,452,228</u>	<u>140,313,925</u>	<u>(1,861,697)</u>
Excess (deficiency) of revenues over expenditures	(11,028,090)	(3,669,361)	(2,997,931)	671,430
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	10,474,766	224,766	16,557,561	(16,332,795)
Operating transfers out	<u>10,000,000</u>	<u>(13,258,078)</u>	<u>(16,557,561)</u>	<u>3,299,483</u>
Total other financing sources (uses)	<u>20,474,766</u>	<u>(13,033,312)</u>	<u>-</u>	<u>13,033,312</u>
Net change in fund balances	9,446,676	(16,702,673)	(2,997,931)	13,704,742
Fund balances, July 1, 2024	<u>68,842,125</u>	<u>68,842,125</u>	<u>68,842,125</u>	<u>-</u>
Fund balances, June 30, 2025	<u>\$ 78,288,801</u>	<u>\$ 52,139,452</u>	<u>\$ 65,844,194</u>	<u>\$ 13,704,742</u>

WASHINGTON UNIFIED SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S  
NET OPEB LIABILITY AND RELATED RATIOS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<b>Fiscal Year, June 30,</b>	<b>2025*</b>	<b>2024*</b>	<b>2023*</b>	<b>2022*</b>	<b>2021*</b>	<b>2020*</b>	<b>2019*</b>	<b>2018*</b>
		<i>6/30/2024</i>	<i>6/30/2023</i>	<i>6/30/2022</i>	<i>6/30/2021</i>	<i>6/30/2020</i>	<i>6/30/2019</i>	<i>6/30/2018</i>	<i>6/30/2017</i>
<b>Total OPEB liability</b>									
Service cost	\$ 1,387,878	\$ 1,300,674	\$ 1,565,054	\$ 2,184,345	\$ 1,718,330	\$ 1,321,721	\$ 1,286,346	\$ 1,251,918	
Interest	724,291	714,557	467,853	431,455	561,534	468,611	432,258	358,098	
Changes of benefit terms	-	-	-	817,769	-	-	-	-	
Experience (Gains)/Losses	-	(1,434,287)	-	-	-	-	-	-	
Differences between expected and actual experience	-	(23,745)	(28,185)	57,487	-	2,006,795	-	-	
Changes of assumptions	(483,077)	(125,916)	(2,448,749)	(352,874)	1,707,583	286,154	(273,786)	-	
Benefit payments	(708,828)	(942,109)	(864,825)	(667,473)	(637,967)	(501,287)	(510,408)	(490,777)	
<b>Net change in total OPEB liability</b>	<b>920,264</b>	<b>(510,926)</b>	<b>(1,308,852)</b>	<b>2,470,709</b>	<b>3,349,480</b>	<b>3,581,994</b>	<b>934,410</b>	<b>1,119,239</b>	
<b>Total OPEB liability - beginning</b>	<b>19,504,066</b>	<b>20,014,992</b>	<b>21,323,844</b>	<b>18,853,135</b>	<b>15,503,655</b>	<b>11,921,661</b>	<b>10,987,251</b>	<b>9,868,012</b>	
<b>Total OPEB liability - ending (a)</b>	<b>\$20,424,330</b>	<b>\$19,504,066</b>	<b>\$20,014,992</b>	<b>\$21,323,844</b>	<b>\$18,853,135</b>	<b>\$15,503,655</b>	<b>\$11,921,661</b>	<b>\$10,987,251</b>	
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 708,828	\$ 942,109	\$ 864,825	\$ 667,473	\$ 637,967	\$ 501,287	\$ 510,408	\$ 490,777	
Net investment income	-	-	-	-	-	-	-	-	
Benefit payments	(708,828)	(942,109)	(864,825)	(667,473)	(637,967)	(501,287)	(510,408)	(490,777)	
Administrative expense	-	-	-	-	-	-	-	-	
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>District's net OPEB liability - ending (a) - (b)</b>	<b>\$20,424,330</b>	<b>\$19,504,066</b>	<b>\$20,014,992</b>	<b>\$21,323,844</b>	<b>\$18,853,135</b>	<b>\$15,503,655</b>	<b>\$11,921,661</b>	<b>\$10,987,251</b>	
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%	0%	0%	0%
Covered-employee payroll	\$73,692,353	\$71,720,052	\$66,688,417	\$60,014,704	\$55,297,197	\$53,507,304	\$54,567,965	\$54,895,662	
District's net OPEB liability as a percentage of covered-employee payroll	28%	27%	30%	36%	34%	29%	22%	20%	

\* Only eight years are presented as GASB 75 was implemented in 2017-2018.

## WASHINGTON UNIFIED SCHOOL DISTRICT

### SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	CalPERS	June 30, 2015 <sup>(1)</sup>		June 30, 2016 <sup>(1)</sup>		June 30, 2017 <sup>(1)</sup>		June 30, 2018 <sup>(1)</sup>		June 30, 2019 <sup>(1)</sup>		June 30, 2020 <sup>(1)</sup>		June 30, 2021 <sup>(1)</sup>		June 30, 2022 <sup>(1)</sup>		June 30, 2023 <sup>(1)</sup>		June 30, 2024 <sup>(1)</sup>		
		June 30, 2015 <sup>(1)</sup>	June 30, 2016 <sup>(1)</sup>	June 30, 2017 <sup>(1)</sup>	June 30, 2018 <sup>(1)</sup>	June 30, 2019 <sup>(1)</sup>	June 30, 2020 <sup>(1)</sup>	June 30, 2021 <sup>(1)</sup>	June 30, 2022 <sup>(1)</sup>	June 30, 2023 <sup>(1)</sup>	June 30, 2024 <sup>(1)</sup>	June 30, 2015 <sup>(1)</sup>	June 30, 2016 <sup>(1)</sup>	June 30, 2017 <sup>(1)</sup>	June 30, 2018 <sup>(1)</sup>	June 30, 2019 <sup>(1)</sup>	June 30, 2020 <sup>(1)</sup>	June 30, 2021 <sup>(1)</sup>	June 30, 2022 <sup>(1)</sup>	June 30, 2023 <sup>(1)</sup>	June 30, 2024 <sup>(1)</sup>	
Proportion of the net pension liability (asset)		0.10028%	0.10299%	0.10526%	0.10958%	0.10434%	0.09900%	0.10003%	0.09773%	0.09865%	0.09865%											
Proportionate share of the net pension liability (asset)	\$ 14,781,590	\$ 20,340,254	\$ 25,128,500	\$ 29,216,768	\$ 30,409,322	\$ 30,376,723	\$ 20,341,221	\$ 33,627,465	\$ 35,709,033	\$ 34,948,040												
Covered payroll <sup>(2)</sup>	\$ 11,030,894	\$ 10,539,754	\$ 12,002,333	\$ 12,427,893	\$ 13,236,474	\$ 17,909,845	\$ 12,967,224	\$ 13,526,117	\$ 16,238,549	\$ 19,023,542												
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll	134.00%	192.99%	209.35%	235.09%	229.74%	169.61%	156.87%	248.61%	219.90%	183.71%												
Plan fiduciary net position as a percentage of the total pension liability (asset)	79.43%	73.90%	71.87%	70.85%	70.05%	70.00%	80.97%	69.76%	69.96%	72.29%												
Proportionate share of aggregate employer contributions <sup>(3)</sup>	\$ 1,306,830	\$ 1,463,761	\$ 1,864,160	\$ 2,244,726	\$ 2,610,365	\$ 3,707,338	\$ 2,970,791	\$ 3,431,576	\$ 4,332,445	\$ 5,145,868												
STRS		June 30, 2015 <sup>(1)</sup>	June 30, 2016 <sup>(1)</sup>	June 30, 2017 <sup>(1)</sup>	June 30, 2018 <sup>(1)</sup>	June 30, 2019 <sup>(1)</sup>	June 30, 2020 <sup>(1)</sup>	June 30, 2021 <sup>(1)</sup>	June 30, 2022 <sup>(1)</sup>	June 30, 2023 <sup>(1)</sup>	June 30, 2024 <sup>(1)</sup>	June 30, 2015 <sup>(1)</sup>	June 30, 2016 <sup>(1)</sup>	June 30, 2017 <sup>(1)</sup>	June 30, 2018 <sup>(1)</sup>	June 30, 2019 <sup>(1)</sup>	June 30, 2020 <sup>(1)</sup>	June 30, 2021 <sup>(1)</sup>	June 30, 2022 <sup>(1)</sup>	June 30, 2023 <sup>(1)</sup>	June 30, 2024 <sup>(1)</sup>	
Proportion of the net pension liability (asset)		0.06236%	0.06576%	0.06798%	0.06877%	0.06892%	0.06892%	0.06297%	0.06902%	0.06749%	0.06947%											
Proportionate share of the net pension liability (asset)	\$ 41,986,522	\$ 53,183,333	\$ 62,864,351	\$ 63,206,610	\$ 62,245,016	\$ 61,027,114	\$ 31,409,609	\$ 46,893,399	\$ 52,905,905	\$ 46,111,561												
Covered payroll <sup>(2)</sup>	\$ 23,955,685	\$ 27,951,772	\$ 31,408,387	\$ 32,448,440	\$ 35,268,088	\$ 38,171,232	\$ 41,846,555	\$ 39,138,911	\$ 41,765,775	\$ 45,099,393												
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll	175.27%	190.27%	200.15%	194.79%	176.49%	159.88%	75.06%	119.81%														
Plan fiduciary net position as a percentage of the total pension liability (asset)	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%	87.21%	81.20%	80.62%	83.55%												
Proportionate share of aggregate employer contributions <sup>(3)</sup>	\$ 2,570,445	\$ 3,516,270	\$ 4,532,187	\$ 5,282,606	\$ 6,030,843	\$ 6,164,654	\$ 7,080,454	\$ 7,475,332	\$ 7,977,263	\$ 8,613,984												

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB 68 is applicable. This is the measurement date of the actuary report.

<sup>(2)</sup> Covered payroll is the payroll on which contributions to a pension plan are based.

<sup>(3)</sup> The Plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The Plan's proportionate share of aggregate contributions is based on the Plan's proportion of fiduciary net position as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

## WASHINGTON UNIFIED SCHOOL DISTRICT

### SCHEDULE OF PENSION CONTRIBUTIONS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	CalPERS	Fiscal Year		Fiscal Year									
		2015-16 <sup>(1)</sup>	2016-17 <sup>(1)</sup>	2017-18 <sup>(1)</sup>	2018-19 <sup>(1)</sup>	2019-20 <sup>(1)</sup>	2020-21 <sup>(1)</sup>	2021-22 <sup>(1)</sup>	2022-23 <sup>(1)</sup>	2023-24 <sup>(1)</sup>	2024-25 <sup>(1)</sup>		
Contractually required contribution <sup>(2)</sup>	\$ 1,306,830	\$ 1,463,761	\$ 1,864,160	\$ 2,244,726	\$ 2,610,365	\$ 3,707,338	\$ 2,970,791	\$ 3,431,576	\$ 4,332,445	\$ 5,145,868			
Contributions in relation to the contractually required contribution <sup>(2)</sup>	<u>\$ (1,463,761)</u>	<u>\$ (1,864,160)</u>	<u>\$ (2,245,420)</u>	<u>\$ (2,629,325)</u>	<u>\$ (2,819,797)</u>	<u>\$ (3,007,744)</u>	<u>\$ (3,413,792)</u>	<u>\$ (4,296,748)</u>	<u>\$ (5,189,231)</u>	<u>\$ (5,586,926)</u>			
Contribution deficiency (excess)	<u>\$ (156,931)</u>	<u>\$ (400,399)</u>	<u>\$ (381,260)</u>	<u>\$ (384,599)</u>	<u>\$ (209,432)</u>	<u>\$ 699,594</u>	<u>\$ (443,001)</u>	<u>\$ (865,172)</u>	<u>\$ (856,786)</u>	<u>\$ (441,058)</u>			
Covered payroll <sup>(3)</sup>	\$ 11,030,894	\$ 10,539,754	\$ 12,002,833	\$ 12,427,893	\$ 13,236,474	\$ 17,909,845	\$ 12,967,224	\$ 13,526,117	\$ 16,238,549	\$ 19,023,542			
Contributions as a percentage of covered payroll <sup>(3)</sup>	11.847%	13.888%	15.531%	18.062%	19.721%	20.700%	22.910%	25.370%	26.680%	27.050%			
STRS		Fiscal Year		Fiscal Year		Fiscal Year		Fiscal Year		Fiscal Year		Fiscal Year	
		2015-16 <sup>(1)</sup>	2016-17 <sup>(1)</sup>	2017-18 <sup>(1)</sup>	2018-19 <sup>(1)</sup>	2019-20 <sup>(1)</sup>	2020-21 <sup>(1)</sup>	2021-22 <sup>(1)</sup>	2022-23 <sup>(1)</sup>	2023-24 <sup>(1)</sup>	2024-25 <sup>(1)</sup>		
Contractually required contribution <sup>(2)</sup>	\$ 2,570,445	\$ 3,516,270	\$ 4,532,187	\$ 5,282,606	\$ 6,030,843	\$ 6,164,654	\$ 7,080,454	\$ 7,475,532	\$ 7,977,263	\$ 8,613,984			
Contributions in relation to the contractually required contribution <sup>(2)</sup>	<u>\$ (3,516,270)</u>	<u>\$ (4,532,187)</u>	<u>\$ (5,460,830)</u>	<u>\$ (6,009,554)</u>	<u>\$ (6,068,254)</u>	<u>\$ (5,757,498)</u>	<u>\$ (6,796,124)</u>	<u>\$ (7,435,609)</u>	<u>\$ (8,600,281)</u>	<u>\$ (9,039,110)</u>			
Contribution deficiency (excess)	<u>\$ (945,825)</u>	<u>\$ (1,015,917)</u>	<u>\$ (928,643)</u>	<u>\$ (726,948)</u>	<u>\$ (37,411)</u>	<u>\$ 407,156</u>	<u>\$ 284,330</u>	<u>\$ 39,923</u>	<u>\$ (623,018)</u>	<u>\$ (425,126)</u>			
Covered payroll <sup>(3)</sup>	\$ 23,955,685	\$ 27,951,272	\$ 31,408,087	\$ 32,448,440	\$ 35,268,088	\$ 38,171,232	\$ 41,846,555	\$ 39,138,911	\$ 41,765,775	\$ 45,099,393			
Contributions as a percentage of covered payroll <sup>(3)</sup>	10.730%	12.580%	14.430%	16.280%	17.100%	16.150%	16.920%	19.100%	19.100%	19.100%			

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Employers are assumed to make contributions equal to the contractually required contributions. However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the contractually required contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

(3) Covered payroll is the payroll on which contributions to a pension plan are based.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**1. PURPOSE OF SCHEDULES**

**A - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP) and Actual - General Fund**

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

**B - Schedule of the Changes in the District's Net OPEB Liability and Related Ratios**

Benefit changes: Classified Employees with 40 years of service are eligible for the PEMHCA minimum employer contribution under the unequal method.

Changes of assumptions: The discount rate changed from 3.65% as of June 30, 2023 measurement date to 3.93% as of June 30, 2024 measurement date.

Fiscal year 2018 was the first year of implementation, therefore only eight years are shown.

**C - Schedule of OPEB Contributions**

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year ended June 30, 2025 were from the June 30, 2024 valuation.

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Amortization period	13.4 years
Asset valuation method	There are no plan assets
Inflation	2.50% per year
Healthcare cost trend rates	4.00% per year
Payroll increase	2.75% per year
Investment rate of return	3.93% per year net of expenses based on the Bond Buyer 20 Bond Index
Mortality	
Certified	2020 CalSTRS Mortality
Classified	2021 CalPERS Mortality for Miscellaneous and Schools Employees
Retirement	
Certified Management	Hired 2012 and earlier: 2020 CalSTRS 2.0%@60 Rates Hired 2013 and later: 2020 CalSTRS 2.0%@62 Rates
Certified	Hired 2012 and earlier: 2020 CalSTRS 2.0%@60 Rates Hired 2013 and later: 2020 CalSTRS 2.0%@62 Rates
Classified	Hired 2012 and earlier: 2021 CalPERS 2.0%@55 Rates for Schools Employees Hired 2013 and later: 2021 CalPERS 2.0%@62 Rates for School Employees
Classified Management	Hired 2012 and earlier: 2021 CalPERS 2.0%@55 Rates for Schools Employees Hired 2013 and later: 2021 CalPERS 2.0%@62 Rates for School Employees

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**1. PURPOSE OF SCHEDULES (CONTINUED)**

**D - Schedule of Proportionate Share of the Net Pension Liability**

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the Plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

*Changes in Assumptions*

There were no changes in assumptions for CalPERS and CalSTRS.

*Changes in Benefit Terms*

There were no changes in benefit terms since the previous valuations for both CalPERS and CalSTRS..

**E - Schedule of Pension Contributions**

If an employer's contributions to the plans are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plans (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll. In the future, as data becomes available, ten years of information will be presented.

	<b>CalPERS</b>	<b>STRS</b>
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	6.90%	7.10%
Inflation	2.30%	2.75%
Payroll Growth Rate	2.80%	3.25%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return <sup>(1)</sup>	6.80%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

<sup>(1)</sup> Net of pension plan investment expenses, including inflation.

## **SUPPLEMENTARY INFORMATION**

WASHINGTON UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NON-MAJOR FUNDS

JUNE 30, 2025

	Student Activity Fund	Charter Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Debt Service Fund	Total
<b>ASSETS</b>										
Cash and cash equivalents	\$ 289,875	\$ 3,650,186	\$ 100,924	\$ 1,184,029	\$ 9,743,982	\$ 15,776,080	73,226	\$ 12,711,199	\$ 7,910,949	\$ 51,440,450
Accounts receivable	-	318,804	101,090	741,662	1,321,547	-	-	-	-	2,483,103
Due from other funds	-	-	-	1,031	-	48,658	-	-	602,243	651,932
Stores Inventory	-	-	-	-	210,940	-	-	-	-	210,940
<b>Total Assets</b>	<b>\$ 289,875</b>	<b>\$ 3,968,990</b>	<b>\$ 202,014</b>	<b>\$ 1,926,722</b>	<b>\$ 11,276,469</b>	<b>\$ 15,824,738</b>	<b>\$ 73,226</b>	<b>\$ 12,711,199</b>	<b>\$ 8,513,192</b>	<b>\$ 54,786,425</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities										
Accounts payable	\$ -	\$ 18,337	\$ 26,378	\$ 13,695	\$ 79,404	13,102	\$ -	\$ 409	\$ -	\$ 151,325
Unearned revenue	-	-	936,955	-	-	-	-	-	-	936,955
Due to other funds	-	36,993	65,107	-	-	650,902	-	-	-	753,002
<b>Total Liabilities</b>	<b>-</b>	<b>55,330</b>	<b>91,485</b>	<b>950,650</b>	<b>79,404</b>	<b>664,004</b>	<b>-</b>	<b>-</b>	<b>409</b>	<b>-</b>
Fund balances										
Nonspendable	-	-	-	-	-	210,940	-	-	-	210,940
Restricted	289,875	539,004	107,874	949,443	10,956,602	11,159,441	-	223,111	8,490,323	32,715,673
Committed	-	3,374,656	2,655	26,629	29,523	4,001,293	73,226	12,487,679	22,869	20,018,530
<b>Total Fund Balances</b>	<b>\$ 289,875</b>	<b>\$ 3,913,660</b>	<b>\$ 110,529</b>	<b>\$ 976,072</b>	<b>\$ 11,197,065</b>	<b>\$ 15,160,734</b>	<b>\$ 73,226</b>	<b>\$ 12,710,790</b>	<b>\$ 8,513,192</b>	<b>\$ 52,945,143</b>
<b>Total liabilities and fund balances</b>	<b>\$ 289,875</b>	<b>\$ 3,968,990</b>	<b>\$ 202,014</b>	<b>\$ 1,926,722</b>	<b>\$ 11,276,469</b>	<b>\$ 15,824,738</b>	<b>\$ 73,226</b>	<b>\$ 12,711,199</b>	<b>\$ 8,513,192</b>	<b>\$ 54,786,425</b>

WASHINGTON UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

ALL NON-MAJOR FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Student Activity Fund	Charter Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Debt Service Fund	Total
<b>REVENUES</b>										
LCFF sources	\$ 2,630,627	\$ -	\$ 71,101	\$ -	\$ 4,756,911	\$ -	\$ -	\$ -	\$ 2,630,627	
Federal revenue	-	-	534,634	1,291,717	2,306,35	-	-	-	4,828,012	
Other state revenues	170,249	3,191	18,099	712,209	8,373,463	5,170	7,575,368	-	11,898,103	
Other local revenues	513,194	2,957,808	628,926	1,309,816	7,775,255	8,373,463	5,170	479,461	792,071	11,053,790
Total revenues	513,194	2,957,808	628,926	1,309,816	7,775,255	8,373,463	5,170	8,054,829	792,071	30,410,532
<b>EXPENDITURES</b>										
Certificated salaries	-	1,000,494	158,717	315,227	-	-	-	-	-	1,474,438
Classified salaries	-	186,444	90,338	352,457	1,938,984	152,546	-	-	-	2,720,769
Employee benefits	-	474,585	86,606	332,147	960,207	68,208	-	-	-	1,921,753
Books and supplies	523,554	35,908	23,391	122,499	3,167,898	9,829	-	-	-	3,883,079
Services and other operating expenditures	3,612	318,405	161,819	2,172	349,02	73,269	-	663,414	-	1,571,793
Capital outlay	-	-	-	-	6,720	-	-	27,150	-	33,870
Other outgo	-	61,444	21,929	91,392	218,846	1,150,997	-	-	727,209	2,271,817
Total expenditures	527,166	2,077,280	542,800	1,215,894	6,641,757	1,454,849	-	690,564	727,209	13,877,519
Excess(deficiency) of revenues over expenditures	(13,972)	880,528	86,126	93,922	1,133,498	6,918,614	5,170	7,364,265	64,862	16,533,013
<b>OTHER FINANCING SOURCES (USES)</b>										
Operating transfers in	-	-	-	93,553	-	-	-	-	763,013	856,566
Operating transfers out	-	-	-	(93,553)	-	(763,013)	-	-	-	(856,566)
Total other financing sources (uses)	-	-	-	-	-	(763,013)	-	-	763,013	-
Net change in fund balances	(13,972)	880,528	86,126	93,922	1,133,498	6,155,601	5,170	7,364,265	827,875	16,533,013
Fund balances, July 1, 2024	303,847	3,033,132	24,403	882,150	10,063,567	9,005,133	68,056	5,346,525	7,685,317	36,412,130
Fund balances, June 30, 2025	\$ 289,875	\$ 3,913,660	\$ 110,529	\$ 976,072	\$ 11,197,065	\$ 15,160,734	\$ 73,226	\$ 12,710,790	\$ 8,513,192	\$ 52,945,143

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF AVERAGE DAILY ATTENDANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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	<b>Second Period Report</b>	<b>Revised Second Period Report*</b>	<b>Annual Report</b>
<b>DISTRICT</b>			
Elementary			
TK through Third	2,041.14	2,041.14	2,041.37
Fourth through Sixth	1,614.08	1,614.08	1,584.23
Seventh through Eighth	1,061.77	1,061.77	1,069.08
Special Education			
TK through Third	5.01	6.91	8.52
Fourth through Sixth	3.09	6.75	7.43
Seventh through Eighth	1.37	2.55	3.30
Extended Year			
Fourth through Sixth	0.14	-	-
Subtotal	<u>4,726.60</u>	<u>4,733.20</u>	<u>4,713.93</u>
Secondary			
Ninth through Twelfth	2,034.31	2,030.62	2,082.71
Special Education			
Ninth through Twelfth	5.48	14.16	18.29
Subtotal	<u>2,039.79</u>	<u>2,044.78</u>	<u>2,101.00</u>
Totals	<u><u>6,766.39</u></u>	<u><u>6,777.98</u></u>	<u><u>6,814.93</u></u>
 <b>CHARTER SCHOOL</b>			
Secondary			
Ninth through Twelfth	<u>161.86</u>	<u>161.86</u>	<u>161.04</u>
Totals	<u><u>161.86</u></u>	<u><u>161.86</u></u>	<u><u>161.04</u></u>

\* The revision to Second Period Report was not a result of the audit.

**WASHINGTON UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF INSTRUCTIONAL TIME**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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<b>Grade Level</b>	<b>Standard Minutes Requirement</b>	<b>2024-25 Actual Instructional Minutes</b>	<b>2024-25 Instructional Days</b>	<b>Status</b>
Kindergarten	36,000	36,000	180	In compliance
Grade 1	50,400	51,415	180	In compliance
Grade 2	50,400	51,415	180	In compliance
Grade 3	50,400	51,415	180	In compliance
Grade 4	54,000	54,780	180	In compliance
Grade 5	54,000	54,780	180	In compliance
Grade 6	54,000	57,010	180	In compliance
Grade 7	54,000	57,010	180	In compliance
Grade 8	54,000	57,010	180	In compliance
Grade 9	64,800	66,001	180	In compliance
Grade 10	64,800	66,001	180	In compliance
Grade 11	64,800	66,001	180	In compliance
Grade 12	64,800	66,001	180	In compliance

**CHARTER SCHOOL**

Grade 9	64,800	70,540	175	In compliance
Grade 10	64,800	70,540	175	In compliance
Grade 11	64,800	70,540	175	In compliance
Grade 12	64,800	70,540	175	In compliance

**WASHINGTON UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF CHARTER SCHOOLS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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Charter School ID Number	Charter Schools Chartered by the District	Included in the District Financial Statements, or Separate Report
0907	Washington Middle College High	Included as Charter Schools Fund
1338	Sacramento Valley Charter	Separately Reported
1659	River Charter Schools Lighthouse Charter	Separately Reported

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET**  
**REPORT WITH AUDITED FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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	<b>Child Development Fund</b>	<b>Capital Facilities Fund</b>	<b>County Schools Facilities Fund</b>	<b>Bond Interest &amp; Redemption Fund</b>
<b>FUND BALANCE</b>				
Beginning balance, July 1, 2024, Unaudited Actuals	\$ 485,980	\$ 8,737,398	\$ 68,916	\$ 21,654,565
Increase in:				
Interest	396,170	-	-	-
Mitigation Developer Fees	-	267,735	-	-
All Other Financing Sources	-	-	-	369,609
Decrease in:				
Net Increase (Decrease) in the Fair Value of Investments	-	-	(860)	(270,097)
Balance, July 1, 2024, Audited Financial Statements	<u>\$ 882,150</u>	<u>\$ 9,005,133</u>	<u>\$ 68,056</u>	<u>\$ 21,754,077</u>

	<b>Bond Interest and Redemption Fund</b>	<b>Foundation Fund</b>
<b>FUND BALANCE</b>		
Balance, June 30, 2025, Unaudited Actuals	\$ 24,965,976	\$ 45,059
Increase in:		
Fair Value Adjustment to Cash in County Treasury	<u>74,598</u>	<u>4</u>
Balance, June 30, 2025, Audited Financial Statement	<u>\$ 25,040,574</u>	<u>\$ 45,063</u>

There were no adjustments to any of the other funds at the District.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<b>Assistance Listing Number</b>	<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<u><b>U.S. Department of Education</b></u>			
Passed through California Department of Education			
	<b><u>Special Education Cluster (IDEA)</u></b>		
84.027	Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	13379	* \$ 1,687,047
84.173	Special Ed: IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	13430	* 35,017
84.027A	Special Ed: IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	15197	* 87,336
84.173A	Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	13431	* 744
	Subtotal Special Education Cluster (IDEA)		<u>1,810,144</u>
	<b><u>Adult Education Cluster</u></b>		
84.002A	Adult Education: Adult Basic Education & ELA (Section 231)	14508	36,233
84.002	Adult Education: Adult Secondary Education (Section 231)	13978	<u>34,868</u>
	Subtotal Adult Education Cluster		<u>71,101</u>
	<b><u>Education Stabilization Fund (ESF) Cluster</u></b>		
84.425	Elementary and Secondary School Emergency Relief III (ESSER III) Fund	15559	3,871,210
84.425U	Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	10155	1,004,342
84.425U	ESSER III State Reserve, Emergency Needs	15620	24,477
	Expanded Learning Opportunities (ELO) Grant:		
84.425U	ESSER III State Reserve, Learning Loss	15621	41,522
84.425	American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	15566	<u>35,959</u>
	Subtotal Education Stabilization Fund (ESF) Cluster		<u>4,977,510</u>
84.010	ESSA: Title I, Part A, Basic Grants Low-Income and Neglected	14329	* 2,077,388
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs	15438	421,948
84.367	ESSA: Title II, Part A, Supporting Effective Instruction Local Grants	14341	276,295
84.424	ESSA: Title IV, Part A, Student Support and Academic Enrichment Grants	15396	186,005
84.365	ESEA (ESSA) : Title III, Immigrant Student Program	15146	47,142
84.365	ESSA: Title III, English Learner Student Program	14346	162,973
84.060	Indian Education (from Federal Government)	10011	<u>9,936</u>
	Total U.S. Department of Education		<u>10,040,442</u>
<u><b>U.S. Department of Agriculture</b></u>			
Passed through California Department of Education			
	<b><u>Child Nutrition Cluster</u></b>		
10.555	Child Nutrition: School Programs (NSL Sec 4)	13391	3,153,149
10.555	Local Food for Schools	15708	53,895
10.582	Child Nutrition: Fresh Fruit and Vegetable Program	14968	<u>101,260</u>
	Total Cash Assistance Subtotal		<u>3,308,304</u>
10.555	School Lunch Program - Nonmonetary Assistance	13391	<u>407,750</u>
	Total Non-Cash Assistance Subtotal		<u>407,750</u>
	Subtotal Child Nutrition Cluster		<u>3,716,054</u>
10.558	Child Nutrition: CACFP Claims - Centers and Family Day Care	13393	* 539,554
	Total U.S. Department of Agriculture		<u>4,255,608</u>
	Total Federal Programs		<u>\$ 14,296,050</u>

\* Tested as a major program.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<b>Adopted Budget 2025/2026</b>	<b>Actuals 2024/2025</b>	<b>Actuals 2023/2024</b>	<b>Actuals 2022/2023</b>
<b><u>General Fund</u></b>				
Revenues and Other Financial Sources	\$ 126,470,512	\$ 153,873,555	\$ 140,935,304	\$ 141,670,254
Expenditures	133,696,112	140,313,925	129,418,384	114,801,254
Other Uses and Transfers Out	-	16,557,561	3,949,531	4,000,000
Total Outgo	133,696,112	156,871,486	133,367,915	118,801,254
Change in Fund Balance	(7,225,600)	(2,997,931)	7,567,389	22,869,000
Ending Fund Balance	\$ 58,618,594	\$ 65,844,194	\$ 68,842,125	\$ 61,274,736
Available Reserves	\$ 18,876,995	\$ 16,291,681	\$ 13,100,060	\$ 11,593,004
Reserve for Economic Uncertainties	\$ 8,008,281	\$ 8,854,103	\$ 7,864,747	\$ 7,045,575
Unassigned Fund Balance	\$ 10,868,714	\$ 7,437,578	\$ 5,235,313	\$ 4,547,429
Available Reserves as a Percentage of Total Outgo	14.1%	10.4%	9.8%	9.8%
Total Long-Term Debt	\$ 347,087,690	\$ 363,178,106	\$ 381,365,580	* \$ 323,763,048
Average Daily Attendance at P-2	6,919	6,778	6,830	6,708

\*Includes prior period adjustment for GASB 101 implementation.

The general fund balance has increased by \$27,438,458 over the past three years. Fiscal year 2025-26 projects a decrease of \$7,225,600. For a District this size, the State of California recommends available reserves of at least 3 percent of total general fund expenditures, transfers out, and other uses (total outgo). The District met this requirement.

The District has incurred an operating surplus in two of the past three years and anticipates incurring an operating deficit during fiscal year 2025-2026.

Total long-term liabilities have increased by \$39,415,058 over the past two years due issuances of new General Obligation Bonds, increases in the Net Pension Liability.

Average Daily Attendance (ADA) has increased by 70 over the past two years. The District anticipates an increase in ADA in fiscal year 2025-26.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**1. PURPOSE OF STATEMENTS AND SCHEDULES**

**A. Schedule Of Average Daily Attendance**

Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

**B. Schedule of Instructional Time**

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206. Districts must maintain their instructional minutes at the State's standard requirements as required by Education Code Section 46201(b).

**C. Schedule of Expenditures of Federal Awards**

The accompanying schedule of expenditures of federal awards includes federal grant activity of the District and is presented under the modified accrual basis of accounting. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance) require a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with the Uniform Guidance and state requirements. Therefore, some amounts presented in this schedule may differ from amounts used in the preparation of the general purpose financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The schedule below provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards.

<b>Assistance Listing Number</b>	<b>Amount</b>
Total Federal Revenues From the Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 14,797,353
Reconciling items	
Child Nutrition: CACFP Claims - Centers and Family Day Care	10.558 (501,303)
Total Schedule of Expenditures of Federal Awards	<u>\$ 14,296,050</u>

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**1. PURPOSE OF STATEMENTS AND SCHEDULES (CONTINUED)**

**D. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

This schedule provides information necessary to reconcile the Annual Financial and Budget Report to the audited financial statements.

**E. Schedule of Financial Trends and Analysis**

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

**F. Schedule of Charter Schools**

This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

**2. EARLY RETIREMENT INCENTIVE PROGRAM**

Education Code Section 14502 requires certain disclosures in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Sections 22714 and 44929. For the fiscal year ended June 30, 2025, the District has not adopted such a program.

## **OTHER INFORMATION**

# WASHINGTON UNIFIED SCHOOL DISTRICT

## ORGANIZATION

JUNE 30, 2025

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Washington Unified School District was established on July 1, 1957 and comprises an area of approximately 23 square miles located in Yolo County. Washington Unified School District serves an ethnically diverse and growing population of 7,421 students, with a staff of 400 certificated employees and 350 classified employees. The district currently operates seven elementary schools (six K-8 schools and one Transitional Kindergarten-5 school), a comprehensive high school, an alternative high school, a dependent charter, an independent study program, and an adult education program. At least one additional elementary school is planned for the future to accommodate growth. There were no changes in District boundaries during the year.

### BOARD OF TRUSTEES

Name	Office	Term Expires December
Sarah Kirby Gonzalez	Board President	2026
Virginia Coffey	Board Vice President	2026
Vanessa Castro	Board Clerk	2028
Jannette Hunt	Board Trustee	2028
Jackie Thu-Huong Wong	Board Trustee	2028

### ADMINISTRATION

Dr. Cherly Hildreth  
Superintendent

Monique Stovall  
Assistant Superintendent, Business Services

Autri Streeck  
Assistant Superintendent, Educational Services

Shea Borges  
Assistant Superintendent, Human Resources

## **OTHER INDEPENDENT AUDITOR'S REPORTS**



**INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE AND ON INTERNAL  
CONTROL OVER COMPLIANCE**

Board of Trustees  
Washington Unified School District  
West Sacramento, California

**Report on Compliance**

**Opinion**

We have audited the Washington Unified School District (the “District”) compliance with the requirements specified in the 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting applicable to the District’s state program requirements identified below for the year ended June 30, 2025.

In our opinion, Washington Unified School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

**Basis for Opinion**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

**Responsibilities of Management for Compliance**

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

**Auditor’s Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists.

The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, 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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

<b>Local Education Agencies Other Than Charter Schools</b>	
<b>Description</b>	<b>Procedures Performed</b>
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	
General Requirements	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive Program	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
Home to School Transportation Reimbursement	Yes

**School Districts, County Offices of Education and Charter Schools**

<b>Description</b>	<b>Procedures Performed</b>
Arts and Music in Schools	Yes
After/Before Schools Education and Safety Program	
General Requirements	Yes
After School	Yes
Before School	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	No, see below
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	No, see below
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Kindergarten Continuance	Yes
Transitional Kindergarten	Yes

**Charter Schools**

<b>Description</b>	<b>Procedures Performed</b>
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instructional Minutes - Classroom Based	Yes
Charter School Facility Grant Program	No, see below

We did not perform any procedures related to Early Retirement Incentive, Juvenile Court Schools, Apprenticeship: Related and Supplemental Instruction, Independent Study-Course Based, Before section of the After/ Before Schools Education and Safety Program or District of Choice because the District does not offer these programs.

We did not perform any procedures related to Expanded Learning Opportunities Grant (ELO-G) because the District fully spent all funding in the prior years.

We did not perform any procedures related to Nonclassroom-Based Instruction/Independent Study for Charter Schools and Determination of Funding for Nonclassroom-Based Instruction for Charter Schools as the Charter school does not have an independent study program.

We did not perform any procedures related Charter School Facility Grant Program because the District did not receive any grant funding from this program.

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 identify during the audit.

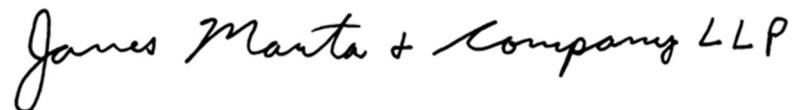
## **Report on Internal Control over Compliance**

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 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 a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from 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 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is fluid and cursive, with "James" and "Marta" on the first line, and "& Company LLP" on the second line.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
December 12, 2025



**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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**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***

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Washington Unified School District  
West Sacramento, CA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Washington Unified School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2025.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered District's internal control over financial reporting (internal control) as a basis for designing the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

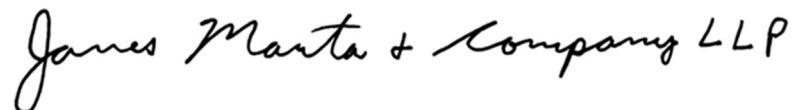
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is fluid and cursive, with "James" and "Marta" on the first line, and "& Company LLP" on the second line.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
December 12, 2025



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Washington Unified School District  
Benicia, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Washington Unified School District's (the "District") 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 each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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.

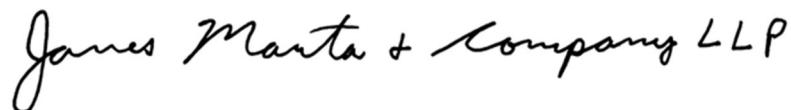
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of Washington Unified School District as of and for the year ended June 30, 2025, and have issued our report thereon dated December 12, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is fluid and cursive, with "James Marta" on the first line and "& Company LLP" on the second line.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
December 12, 2025

## **FINDINGS AND RECOMMENDATIONS**

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**Section I – Summary of Audit Results**

**Financial Statements**

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No

**Federal Awards**

Internal control over major programs:			
Material weakness(es) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> 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, Section 200.516(a)?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173, 84.173A	Special Education Cluster
84.010	ESSA: Title I, Part A, Basic Grants
	Low-Income and Neglected

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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**State Awards**

Internal control over state programs:			
Material weakness(es) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> None reported
Type of auditor's report issued on compliance for state programs:	Unmodified		

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**SCHEUDLE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**Section II – Financial Statement Findings**

No matters were reported.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**SCHEUDLE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**Section IV – State Award Findings and Questioned Costs**

No matters were reported.

**WASHINGTON UNIFIED SCHOOL DISTRICT**  
**STATUS OF PRIOR YEAR RECOMMENDATIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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No matters were reported.