



Washington State Auditor's Office

Independence • Respect • Integrity

Accountability Audit Report

Edmonds School District No. 15

Snohomish County

For the period September 1, 2013 through August 31, 2014

Published May 26, 2015

Report No. 1014182





Washington State Auditor

May 26, 2015

Board of Directors
Edmonds School District No. 15
Lynnwood, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the District's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

A handwritten signature in cursive script that reads "Jan M. Jutte".

JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

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AUDIT SUMMARY

Results in brief

In most areas we audited, District operations complied with applicable requirements and provided adequate safeguarding of public resources. The District also complied with state laws and regulations and its own policies and procedures in most areas we examined.

However, we noted certain matters that we communicated to the District management in a letter dated May 19, 2015 related to overtime controls. We appreciate the District's commitment to resolving those matters.

About the audit

This report contains the results of our independent accountability audit of Edmonds School District No. 15 from September 1, 2013 through August 31, 2014.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the District's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Payroll
- Disbursements
- Safeguarding of assets
- Financial condition
- Special education

RELATED REPORTS

Financial

Our opinion on the District's financial statements and compliance with federal grant program requirements is provided in a separate report issued in May 2015, which includes the District's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the District's major federal programs, which are listed in the Federal Summary section of the financial statement and single audit report issued in May 2015. That report includes a federal finding regarding time and effort documentation. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

Special investigations

During the current audit period, the State Auditor's Office issued a report in May 2014 on a misappropriation of public funds at the District. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

Other reports

We have conducted a separate audit to examine the District's compliance with Alternative Learning Experience (ALE) requirements. A separate report has been issued and is available on our website at <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE DISTRICT

Edmonds School District No. 15 provides public school services to students in preschool through 12th grade. The District is the 11th largest school district in the state and the largest in Snohomish County. The District's service area of 36 square miles includes the cities of Lynnwood, Woodway, Brier, Edmonds and Mountlake Terrace and the surrounding unincorporated area of Snohomish County.

The District serves approximately 19,030 students with a staff of approximately 1,247 certificated and 731 classified employees. The District has 22 elementary schools, two of which include 7th and 8th grades. The District has one early childhood center, four middle schools, five high schools, one alternative K-12 school and one K-12 center for students with disabilities.

The District's budgeted expenditures for fiscal year 2014 were \$212,364,947 for the General Fund, \$3,000,299 for the Associated Student Body Fund, \$28,942,405 for the Debt Service Fund, \$21,377,724 for the Capital Projects Fund and \$2,000,000 for the Transportation and Vehicle Fund. A five-member Board of Directors, elected to four-year terms by the District's voters, governs the District's operations.

Contact information related to this report

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Information current as of report publish date.

Audit history

You can find current and past audit reports for Edmonds School District No. 15 at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

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

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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