



Office of the Washington State Auditor  
Pat McCarthy

## Assessment Audit Report

# Lyle School District No. 406

For the period September 1, 2021 through August 31, 2023

*Published September 12, 2024*

Report No. 1035510



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

September 12, 2024

Board of Directors  
Lyle School District No. 406  
Lyle, Washington

**Report on Assessment Audit**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor 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.

The attached report describes the procedures performed and conclusions for the areas we reviewed. We appreciate the opportunity to work with your staff, and value your cooperation during the assessment audit.

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

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## AUDIT SUMMARY

### Results in brief

Based on the procedures performed, nothing came to our attention in the areas we reviewed that caused us to believe the District was not in substantial compliance with applicable state laws, regulations, and its own policies, or had not provided adequate controls over the safeguarding of public resources. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

### About the assessment audit

This report contains the results of our independent audit of Lyle School District No. 406 from September 1, 2021 through August 31, 2023.

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. State law (WAC 392-117-035) also requires school districts to prepare and submit certified annual reports to the Office of the Superintendent of Public Instruction (OSPI) detailing the District's revenues and other financing sources, expenditures and other financing uses, assets, liabilities, financial condition, and fund balances.

This assessment audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments at least once every three years. Assessment audits are risk-based, limited-scope reviews of small local governments, generally defined as school districts with 250 or fewer FTE students. To help minimize audit costs, our work for this engagement was conducted off-site primarily using financial and other information provided by the District.

This assessment audit was limited to the following:

- Reviewing meeting minutes for compliance with the Open Public Meetings Act
- Inquiring as to internal controls over assets, revenues, and disbursements
- Verifying that annual reports submitted to our Office were complete and filed timely in compliance with state law
- Reviewing the District's annual revenues and expenditures for unusual transactions or trends
- Corroborating financial information reported by the District by comparing reported revenues, expenditures, and cash and investment balances to third-party sources
- Reviewing expenditures for indications of unusual activities, excessive Board of Directors compensation, conflicts of interest, or procurement requirements
- Evaluating the District's financial information for indications of financial distress
- Using validation queries to verify the completeness and accuracy of WSIPC data
- Reviewing payroll transactions for unusual or excessive payments

## RELATED REPORTS

### **Financial**

Our opinion on the District's financial statements and compliance with federal grant program requirements is provided in a separate report, 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 program, which is listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report includes a federal finding because the District did not have adequate internal controls for ensuring compliance with federal wage rate requirements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE DISTRICT

Lyle School District No. 406 is in Klickitat County and serves about 200 students in preKindergarten through 12th grade. The District operates three schools: an elementary school, middle school and high school located in Lyle. The District provides basic education, special education and transportation services.

The District is governed by a five-member Board of Directors and employs approximately 18 certified and 18 classified staff. For the 2022-2023 school year, the District operated on an annual general fund budget of approximately \$5.3 million.

### Contact information related to this report

Address:	Lyle School District No. 406 P.O. Box 368 Lyle, WA 98635
Contact:	Susan Carabin, Business Manager
Telephone:	509-365-2191
Website:	<a href="http://www.lyleschools.org">www.lyleschools.org</a>

*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for Lyle School District No. 406 at <http://portal.sao.wa.gov/ReportSearch>.

## ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

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