

Washington State Auditor's Office
Accountability Audit Report

Edmonds School District No. 15
Snohomish County

Report Date
March 2, 2009

Report No. 1001306

Issue Date
May 11, 2009



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

May 11, 2009

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

Report on Accountability

Please find attached our report on Edmonds School District No. 15's accountability and compliance with state laws and regulations and its own policies and procedures.

In addition to this work, we also audit the District's financial statements and compliance with federal laws and regulations. The results of that audit will be included in a separately issued audit report.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Snohomish County
March 2, 2009

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Audit Summary

Edmonds School District No. 15 Snohomish County March 2, 2009

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Edmonds School District No. 15.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also examined District management's accountability for public resources. Our work focused on specific areas that have potential for abuse and misuse of public resources.

Areas examined during the audit were selected using financial transactions from September 1, 2007, through August 31, 2008.

RESULTS

The District complied with state laws and regulations and its own policies and procedures in most areas we examined. Internal controls were adequate to safeguard public assets. However, we noted certain issues that we communicated to District management. We appreciate the District's commitment to resolving the issues.

RELATED REPORTS

Our opinion on the District's financial statements and compliance with federal program requirements is provided in a separate report, which includes the District's financial statements.

CLOSING REMARKS

We thank District officials and personnel for their assistance and cooperation during the audit.

Description of the District

Edmonds School District No. 15 Snohomish County March 2, 2009

ABOUT THE DISTRICT

Edmonds School District No. 15 provides public school services to students in preschool through 12th grade. The District is the tenth 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 19,400 students with a staff of approximately 1,240 certificated and 760 classified employees. The District has 24 elementary schools, three of which include seventh and eighth grades. The District has one early childhood center, four middle schools, four high schools, one alternative K-12 school, one alternative high school and one K-12 center for students with disabilities.

The District's budgeted expenditures for fiscal year 2007-2008 were:

- General Fund: \$183,986,752
- Associated Student Body Fund: \$3,158,654
- Debt Service Fund: \$28,048,263
- Capital Projects Fund: \$125,452,347
- Transportation and Vehicle Fund: \$1,550,000.

A five-member Board of Directors, elected to four-year terms by the District's voters, governs the District's operations.

AUDIT HISTORY

We audit the District annually. The past five audits have reported eight findings. During that period, the number of findings has ranged from three in fiscal year 2003-2004, two in fiscal years 2002-2003 and 2006-2007, and one in fiscal year 2005-2006. No findings were reported in fiscal year 2004-2005.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Directors:

Patrick Shields
Susan Paine
Ann McMurray
Gary Noble
Susan Phillips (appointed November 2007)
Dr. Bruce Williams (resigned September 2007)

APPOINTED OFFICIALS

Superintendent

Nick J. Brossoit, Ed.D.

ADDRESS

District

20420 68th Avenue W.
Lynnwood, WA 98036-7400
(425) 431-7000
www.edmonds.wednet.edu

Audit Areas Examined

Edmonds School District No. 15 Snohomish County March 2, 2009

In keeping with general auditing practices, we do not examine every portion of Edmonds School District No. 15's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

ACCOUNTABILITY

We evaluated the District's accountability in the following areas:

- Transportation reporting
- Vocational teacher education and experience (staff mix) reporting
- Lease and rental revenue
- General and travel reimbursements
- Software conversion review
- Decentralized cash receipting
- Procurement card use
- Procurement compliance
- Ability to continue operations

FEDERAL PROGRAMS

We evaluated internal controls and tested compliance with 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.

FINANCIAL AREAS

Our opinion on the District's financial statements is provided in a separate report. That report includes the District's financial statements and other required financial information. We examined the financial activity and balances of the District including:

- Cash and investments
- Revenue
- Expenditures/expenses
- Financial condition
- Long-term debt
- Overall presentation of the financial statements
- Financial statement preparation



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.

Our mission is to work in cooperation with our audit clients and citizens as an advocate for government accountability. 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.

The State Auditor's Office employees are located around the state to deliver our services effectively and efficiently.

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 and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service. We continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

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

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