



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Lake Washington School District No. 414

For the period September 1, 2023 through August 31, 2024

Published June 5, 2025

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

June 5, 2025

Superintendent and Board of Directors
Lake Washington School District No. 414
Redmond, Washington

Report on Accountability

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.

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.

Attached is our independent audit report on the District's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and value your cooperation during the audit.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, District operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of Lake Washington School District No. 414 from September 1, 2023 through August 31, 2024.

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.

This 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. Our audit involved obtaining evidence about the District's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the year ended August 31, 2024, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Self-Insurance – unemployment and workers compensation
- Associated Student Body activities – expenses
- Procurement – purchasing exemption
- Software conversion – general ledger
- Use of restricted funds – professional learning and local revenue for enrichment activities
- Compliance with supplemental contracts for enrichment activities
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress



Dr. Jon Holmen – Superintendent

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Lake Washington School District No. 414 September 1, 2023 through August 31, 2024

This schedule presents the status of findings reported in prior audit periods.

Audit Period: 9/1/2022 – 08/31/2023	Report Ref. No.: 1034997	Finding Ref. No.: 2023-001				
Finding Caption: The District lacked adequate controls over enrollment reporting for its Sammamish River Valley Online alternative learning experience program, resulting in overreporting of 3.861 Annual Average Full Time Equivalent.						
Background: In the 2022-23 school year, our audit determined the District did not have controls in place to ensure it met all alternative learning experience (ALE) requirements before claiming students enrolled at Sammamish River Valley Online program for ALE funding. The District had no documentation and maintenance of student progress reviews and intervention plans, no approval of student learning plans before the first count date, claimed FTE that was not based on hours documented in the student learning plans, and had rounding errors when calculating student FTE. Further, the District's ALE policy did not specifically include the Sammamish River Valley Online program, and the District did not have documentation to demonstrate the Board of Directors reviewed the administrative policy in the past year.						
Status of Corrective Action: (check one) <table><tr><td>☒ Fully Corrected</td><td>☐ Partially Corrected</td><td>☐ Not Corrected</td><td>☐ Finding is considered no longer valid</td></tr></table>			☒ Fully Corrected	☐ Partially Corrected	☐ Not Corrected	☐ Finding is considered no longer valid
☒ Fully Corrected	☐ Partially Corrected	☐ Not Corrected	☐ Finding is considered no longer valid			

Corrective Action Taken:

In September 2024 Associate Superintendent of Business and Support Services and Associate Superintendent of School Support Services met with the principal who has oversight to one ALE program along with the Director of Secondary Education to review ongoing expectations, processes and procedures related to this program. In addition, in August 2024 Associate Superintendent of Business and Support Services also had a conversation with the principal who has oversight to the other district ALE program to confirm continued record keeping and preparation for future audits.

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, <https://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 Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report is available on our website, <https://portal.sao.wa.gov//ReportSearch>.

INFORMATION ABOUT THE DISTRICT

Lake Washington School District No. 414 serves more than 30,011 full-time students from preschool through 12th grade in east King County. It encompasses 76 square miles and serves the cities of Kirkland and Redmond and parts of Sammamish, Bothell and Woodinville. The District has 56 schools: 33 elementary schools (grades K-5), 14 middle schools (grades 6-8) and 9 high schools (grades 9-12), including 12 choice schools and one choice program (Cambridge Program at Juanita High School). The District also offers pre-school programs in seven elementary schools.

An elected, five-member Board of Directors governs the District. The Board appoints management to oversee the District's daily operations as well as its approximately 4,646 employees in 2024. For fiscal year 2024, the District's operating budget was approximately \$763 million for all funds.

Contact information related to this report

Contact:	Margo Allen, Accounting Manager
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Website:	https://www.lwsd.org/

Information current as of report publish date.

Audit history

You can find current and past audit reports for Lake Washington School District No. 414 at <https://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. 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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