

Washington State Auditor's Office
Audit Report

Oakville School District
Grays Harbor County

Audit Period
September 1, 1999 through August 31, 2001

Report No. 63257

Issue Date
May 3, 2002



Washington _____
State Auditor
_____ Brian Sonntag

Audit Summary

Oakville School District Grays Harbor County September 1, 1999 through August 31, 2001

ABOUT THE AUDIT

This report contains the results of our independent audit of the Oakville School District for the period September 1, 1999, through August 31, 2001.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also audited the financial statements and evaluated internal controls established by District management. Our work focused on specific areas that have potential for abuse and misuse of public resources.

A special focus of our audit was the District's compliance with reporting requirements of three major areas of state funding: student enrollment count, reports on teachers' experience and education known as staff mix, and student bus ridership counts.

RESULTS

The District complied with state laws and regulations and its own policies and procedures in the areas we examined. We found the District's financial statements were accurate and complete.

RELATED REPORTS

In addition to the accompanying report titled, *Washington Education System Single Audit Pilot Individual District Report*, we will be issuing a report for the statewide results of the Washington Education System Single Audit Pilot audit. That report is due to be published by June 2002.

CLOSING REMARKS

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

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Description of the District

Oakville School District Grays Harbor County September 1, 1999 through August 31, 2001

ABOUT THE DISTRICT

The Oakville School District provides educational services to approximately 330 students in kindergarten through grade 12. The Superintendent administers the day-to-day operations and reports to a five-member Board. The members are elected to staggered, four-year terms. The District operates on a \$2.9 million annual budget and has 25 certificated and 23 classified staff including food services, janitorial, transportation, office and special education aides. It has one elementary school and one middle school and one high school.

AUDIT HISTORY

The District is audited every two years. Management has been very responsive to prior audit recommendations. Audit concerns are often discussed, addressed and resolved before completion of our audit. Because of its assertive style of problem solving, the District has been free of findings for the last three audits, including the current audit.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Directors

Position 1

Pat Ayers (resigned November 1999)

Lee Bramer (appointed March 2000)

Position 2

Janice Latch

Position 3

Steve Reinitz

Position 4

Steve Mittge

Position 5

Lucy Severs

APPOINTED OFFICIALS

Superintendent

Robert C. Amundson

ADDRESS

District

Box H

Oakville, WA 98568

(360) 273-0171

(360) 273-6724 (fax)

ramundson@oaksd.wednet.edu

Audit Areas Examined

Oakville School District Grays Harbor County September 1, 1999 through August 31, 2001

In keeping with general auditing practices, we do not examine every portion of the Oakville School District'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:

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Student enrollment reporting
- Reporting on teachers' experience and education (staff mix)
- Student bus ridership reporting
- Conflict of interest
- Open Public Meetings Act
- Budget compliance

INTERNAL CONTROL

We evaluated the following areas of the District's internal control structure:

- District cash receipting and depositing
- Associated Student Body receipts at the high school
- Petty cash and revolving funds
- Purchasing of goods and services
- Payroll

FINANCIAL AREAS

In addition to the financial-related work listed in other categories, we audited the following areas:

- Cash and investments
- Revenues such as state apportionment, taxes and locally generated funds
- Overall presentation of financial statements
- Long-term debt
- Expenditures

FEDERAL PROGRAMS

The District is a participating entity of the Washington Education System Single Audit Pilot. As noted in the accompanying report titled, *Washington Education System Single Audit Pilot Individual District Report*, the District has met its federal audit responsibilities under OMB Circular A-133.

Independent Auditor's Report on Compliance and Internal Control over Financial Reporting in Accordance with Government Auditing Standards

**Oakville School District
Grays Harbor County
September 1, 1999 through August 31, 2001**

Board of Directors
Oakville School District
Oakville, Washington

We have audited the financial statements of the Oakville School District, Grays Harbor County, Washington, as of and for the years ended August 31, 2001 and 2000, and have issued our report thereon dated February 27, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatements, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our responsibility is to examine, on a test basis, evidence about the District's compliance with those requirements and to make a reasonable effort to identify any instances of misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the District and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with these provisions. Accordingly, we do not express such an opinion.

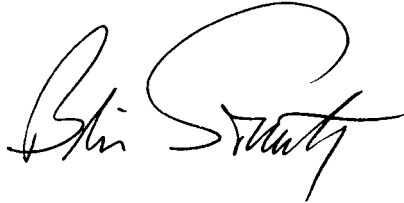
The results of our tests disclosed no instances of material noncompliance that are required to be reported herein under *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Directors, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with a large, prominent loop at the end of the last name.

BRIAN SONNTAG, CGFM
STATE AUDITOR

February 27, 2002

Washington Education System Single Audit Pilot Individual District Report

Oakville School District Grays Harbor County September 1, 1999 through August 31, 2001

Board of Directors
Oakville School District
Oakville, Washington

We have audited the federal programs administered by the Washington Education System for the year ended August 31, 2001. The Washington Education System consists of the Office of Superintendent of Public Instruction (OSPI) and all educational service districts and school districts in the state. However, only those districts that expended \$300,000 or more in federal awards during the fiscal year were included within the scope of our audit.

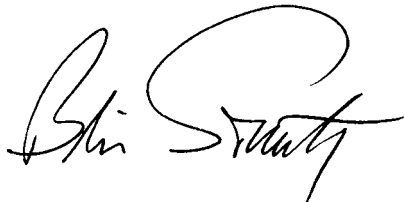
We audited the Washington Education System under the terms of an approved single audit pilot project. Further, we conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The Oakville School District is a participating entity included in the Washington Education System. Because it is not practical to test federal programs at every school district included in the pilot project each year, we schedule our fieldwork to cover each district at least once every four years. Although the District's programs were not examined for fiscal year 2001, the District has met its federal audit responsibilities under OMB Circular A-133.

The results of our audit of federal awards will be published in a separate report. The statewide report will include federal findings from all educational service districts, school districts and OSPI. The report will also include our opinion on the education system's schedule of expenditures of federal awards and our opinion on the education system's compliance with federal requirements applicable to its major programs.

The District also participated in the pilot for the fiscal year ended August 31, 2000. The results of that audit have already been published in a separate report.

This report is intended for the information of District management and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



BRIAN SONNTAG, CGFM
STATE AUDITOR

February 27, 2002

Independent Auditor's Report on Financial Statements

Oakville School District Grays Harbor County September 1, 1999 through August 31, 2001

Board of Directors
Oakville School District
Oakville, Washington

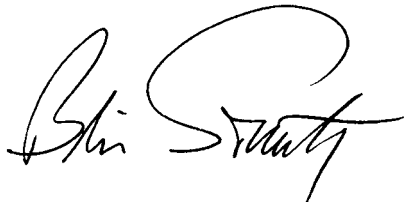
We have audited the accompanying financial statements of the Oakville School District, Grays Harbor County, Washington, as of and for the years ended August 31, 2001 and 2000. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the District prepares its financial statements on the cash basis of accounting prescribed by Washington State statutes and the *Accounting Manual for Public School Districts in the State of Washington*, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Oakville School District as of August 31, 2001 and 2000, and the revenues it received and expenditures it paid for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2002, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



BRIAN SONNTAG, CGFM
STATE AUDITOR

February 27, 2002

Financial Statements

**Oakville School District
Grays Harbor County
September 1, 1999 through August 31, 2001**

FINANCIAL STATEMENTS

Combined Statement of Revenues, Expenditures and Changes in Fund Balance – All
Fund Types and Account Groups – 2001
Combined Statement of Revenues, Expenditures and Changes in Fund Balance – All
Fund Types and Account Groups – 2000
Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Budget
and Actual – All Governmental Fund Types – 2001
Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Budget
and Actual – All Governmental Fund Types – 2000
Notes to Financial Statements – 2001 and 2000