



Washington State Auditor's Office

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Financial Statements and Federal Single Audit Report

Lake Washington School District No. 414

King County

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

Published May 28, 2015

Report No. 1014233





Washington State Auditor

May 28, 2015

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

Report on Financial Statements and Federal Single Audit

Please find attached our report on Lake Washington School District No. 414's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the District's financial condition.

Sincerely,

Signature Here (Please do not remove this line)

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

3. The increase between the beginning and ending balance of the liability for net OPEB obligation (\$4,765,091) is reported in the Statement of Activities as an expense and is allocated to various applicable programs. This increase is not reported in governmental fund statements.
4. The proceeds of the sale of property is reported as an increase in other financial resources in governmental funds, while only the loss on sale of property (\$35,395) is reported in the statement of activities.
5. Capital Assets – Capital assets are expensed when purchased or constructed in the governmental fund statements. Capital assets are expensed as depreciation over the useful life of the asset in the statement of activities (\$23,131,737).
6. Repayment of bond principal (\$24,610,000) was reported as an expenditure in governmental funds and, thus has the effect of reducing fund balance. For the district as a whole, however, the principal payments reduce the liabilities in the statement of Net Position.
7. Bond premiums and bond discounts are reported as revenues/expenditures in the governmental fund financial statements, but in government-wide financial statements they are amortized over the life of the bonds with the current year’s amortization as follows:

Current year bond premium amortization	\$1,342,851
Current year bond discount amortization	\$146,051

Note 14: Contingent Liabilities

The district receives federal and state grants for specific programs. Both types of grants are subject to audit by the Washington State Auditor’s Office. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, the district believes that such disallowances, if any, will be immaterial.

Note 15: Litigation

Possible losses from suits and claims against the Lake Washington School District are fully covered by the Washington Schools Risk Management Pool. The District is not aware of any claims which are not adequately covered.

Note 16: Restatement of Beginning Net Position

For Fiscal year 2013-14 the district made an adjustment related to the adoption of GASB Statement 65. The result is a decrease in Net Position of \$626,136 on September 1, 2013. This change is immaterial and therefore not practical to restate periods prior to September 1, 2013. This change is in accordance with generally accepted accounting principles.

Net Position, August 31, 2013 as previously reported	\$ 451,605,921
Reclassification of Unamortized Bond Issuance Costs	\$ (626,136)
Net Position, September 1, 2013 as restated	\$ 450,979,785

Note 17: Subsequent Events

As of September 25, 2009 the final Commercial Paper loss restructuring was completed. The investment Pool accepted the exchange offer which provides that the Pool will continue to receive cash flows from the underlying securities.

There were no other events after the balance sheet date which would have a material impact on the next or future years.

