

Washington State Auditor's Office
Accountability Audit Report

**Public Utility District No. 1 of Asotin
County**

Audit Period
January 1, 2003 through December 31, 2003

Report No. 66859

Issue Date
June 4, 2004



Washington _____
State Auditor
_____ Brian Sonntag

Audit Summary

Public Utility District No. 1 of Asotin County January 1, 2003 through December 31, 2003

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Public Utility District No. 1 of Asotin County for the period January 1, 2003, through December 31, 2003.

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

RESULTS

The District complied with state laws and regulations and its own policies and procedures in the areas we examined. The District generally had sufficient internal controls in place to safeguard assets.

RELATED REPORTS

Our opinion on the District's financial statements 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.

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Description of the District

Public Utility District No. 1 of Asotin County January 1, 2003 through December 31, 2003

ABOUT THE DISTRICT

Public Utility District No. 1 of Asotin County was formed in 1987 and is the exclusive distributor of residential, commercial, and fire hydrant water service to approximately 6,500 customers in Asotin County. The District is administered by a three-member Board of Commissioners, who appoints a General Manager. The District operates on a \$2.8 million annual budget and has 14 employees.

AUDIT HISTORY

We audit the District annually. The District has had no findings since its formation in 1987. We believe this reflects the District's desire and commitment to maintain a strong financial system.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:
President

Judy Ridge
Don Nuxoll
Gary Hicks

APPOINTED OFFICIALS

General Manager
Attorney
Treasurer

Tim Simpson
Scott Broyles
Kathy Hill, CPA

ADDRESS

District

1500 Scenic Way
PO Box 605
Clarkston, WA 99403
(509) 758-1010

Audit Areas Examined

Public Utility District No. 1 of Asotin County January 1, 2003 through December 31, 2003

In keeping with general auditing practices, we do not examine every portion of Public Utility District No. 1 of Asotin County'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 FOR PUBLIC RESOURCES

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

- Utility billing and receipting
- Cash disbursements
- Fixed assets
- Payroll

LEGAL COMPLIANCE

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

- Debt/bond covenants
- Ethics/conflict of interest laws
- Open Public Meetings Act
- Legal and supported expenditures
- Competitive bid law compliance
- Contracts and agreements
- Commissioner compensation

FINANCIAL

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
- Revenues
- Expenditures
- Long-term debt
- Overall presentation of the financial statements