

Washington State Auditor's Office
Accountability Audit Report

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

Report Date
May 27, 2005

Report No. 68926

Issue Date
July 15, 2005



Washington _____
State Auditor
_____ Brian Sonntag



**Washington State Auditor
Brian Sonntag**

July 15, 2005

Board of Commissioners
Public Utility District No. 1 of Asotin County
Clarkston, Washington

Report on Accountability for Public Resources

Please find attached our report on Public Utility District No. 1 of Asotin County's accountability for public resources 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. The results of that audit will be included in a separately issued audit report.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Audit Summary

Public Utility District No. 1 of Asotin County May 27, 2005

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Public Utility District No. 1 of Asotin County.

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 January 1, 2004, through December 31, 2004.

RESULTS

The District complied with state laws and regulations and its own policies and procedures in the areas we examined. Internal controls were adequate to safeguard public 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.

Description of the District

Public Utility District No. 1 of Asotin County May 27, 2005

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, which appoints a General Manager. The District operates on a \$3 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:
Secretary

Judy Ridge
Don Nuxoll
Gary Hicks

APPOINTED OFFICIALS

General Manager
Attorney
Treasurer

Tim Simpson
Scott Broyles
Kathy Hill, CPA

Note: Kathy Hill was replaced by Robert Sischo in December 2004.

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 May 27, 2005

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:

- Billings and account receivables
- Cash receipting and revenues
- Petty cash, change and revolving funds
- Safeguarding of equipment and tools
- Payroll
- Electronic funds transfer
- Expenditures, vouchers and credit cards
- Financial statement preparation and journal entries

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

- Open Public Meetings Act
- Ethics/conflict of interest laws
- Advance travel payments and reimbursements
- Compliance with debt covenants
- Competitive bid law compliance
- Contracts and agreements
- Legal and supported payments

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