

Washington State Auditor's Office
Accountability Audit Report

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

Report Date
May 11, 2007

Report No. 72833

Issue Date
June 22, 2007



Washington _____
State Auditor

Brian Sonntag



**Washington State Auditor
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June 22, 2007

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

Report on Accountability

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

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

Table of Contents

**Public Utility District No. 1 of Asotin County
Asotin County
May 11, 2007**

Audit Summary..... 1
Description of the District 2
Audit Areas Examined..... 3

Audit Summary

Public Utility District No. 1 of Asotin County May 11, 2007

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, 2006, through December 31, 2006.

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 resources.

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 11, 2007

ABOUT THE DISTRICT

Public Utility District No. 1 of Asotin County was formed in 1984 and began operations in April 1987. The District is the exclusive distributor of residential, commercial water services to approximately 6,700 customers in Asotin County. The District also provides limited electrical service. The District is administered by a three-member Board of Commissioners, which appoints a General Manager. The District operates on a \$3.6 million annual budget and has 18 employees.

AUDIT HISTORY

We audit the District annually. The District has had no findings since acquiring and beginning operations in April 1987. This reflects the District's commitment to strong internal controls and compliance with state laws and regulations.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Judy Ridge
Don Nuxoll
Gary Hicks

APPOINTED OFFICIALS

General Manager
Treasurer
Attorney

Tim Simpson
Bob Sischo
Scott Broyles

ADDRESS

District

1500 Scenic Way
P.O. Box 605
Clarkston, WA 99403
(509) 758-1010

Audit Areas Examined

Public Utility District No. 1 of Asotin County May 11, 2007

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

We evaluated the District's accountability and compliance with laws, regulations, contracts and grant agreements in the following areas:

- Billings/receivables
- Property management
- Contracts/agreements
- Open Public Meetings Act/records laws
- Procurement (bidding)
- Disbursements/expenditures
- Payroll/personnel
- Conflict of interest/ethics laws

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:

- Financial statement preparation
- Cash and investments
- Capital assets
- Long-term debt
- Revenues
- Expenditures
- Overall presentation of the financial statements