

Washington State Auditor's Office
Accountability Audit Report

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

Audit Period
January 1, 2002 through December 31, 2002

Report No. 65334

Issue Date
August 29, 2003



Washington _____
State Auditor
_____ Brian Sonntag

Audit Summary

Public Utility District No. 1 of Asotin County January 1, 2002 through December 31, 2002

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, 2002, through December 31, 2002.

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 and compliance with federal program requirements is provided in a separate report, which includes the District's financial statements. That report includes a federal finding regarding a compliance violation.

CLOSING REMARKS

We appreciate the District's commitment to ensure compliance with conditions reported this audit. We thank District 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, 2002 through December 31, 2002

ABOUT THE DISTRICT

Public Utility District No. 1 of Asotin County was formed in 1985 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 \$2.7 million annual budget and has 13 employees.

AUDIT HISTORY

We audit the District annually. No findings have been issued in recent audits.

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, 2002 through December 31, 2002

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
- Payroll
- Cash disbursements
- Property and equipment

LEGAL COMPLIANCE

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

- Officials/conflicts of interest
- Open Public Meetings Act
- Legal and supported payments
- Petty cash and change accounts
- Competitive bidding requirements
- Contracts and agreements

FEDERAL PROGRAMS

We evaluated internal controls and tested compliance with federal requirements, as applicable, for the District's major federal program, which is listed in the Federal Summary section of the financial statement and single audit report.

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