

# Washington State Auditor's Office

## Accountability Audit Report

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# 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