

**Washington State Auditor's Office**  
**Accountability Audit Report**

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**East Wenatchee Water District**  
**Douglas County**

Report Date  
**November 20, 2008**

**Report No. 1000513**

Issue Date  
**February 2, 2009**



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR



**Washington State Auditor  
Brian Sonntag**

February 2, 2009

Board of Commissioners  
East Wenatchee Water District  
East Wenatchee, Washington

***Report on Accountability***

Please find attached our report on the East Wenatchee Water District'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

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Douglas County  
November 20, 2008**

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# Audit Summary

## East Wenatchee Water District Douglas County November 20, 2008

### ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of the East Wenatchee Water District.

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, 2007.

### ***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

## East Wenatchee Water District Douglas County November 20, 2008

### ***ABOUT THE DISTRICT***

The East Wenatchee Water District was established in 1923 to provide water services to both the incorporated and unincorporated areas of East Wenatchee. The District serves an area of over 27 square miles with a population of approximately 24,000 residents.

The District is governed by a three-member Board of Commissioners. The Board approves District policies and appoints a General Manager who is responsible for ensuring the District is in compliance with those policies. The General Manager is also responsible for oversight of the District's 20 full-time employees and five part-time seasonal employees. The District has an annual operating budget of approximately \$4 million.

### ***AUDIT HISTORY***

We audit the District on a biennial basis. The past four audits of the District reported two areas of concern. The 1998-99 audit contained two findings, one related to the District lending its credit to employees and commissioners and the second related to a conflict of interest. The District took measures to improve these conditions and has received no findings since the 1998-99 audit.

### ***ELECTED OFFICIALS***

These officials served during the audit period:

Board of Commissioners:  
President

Mike McCourt  
John Sterk  
Terry Barnes

### ***APPOINTED OFFICIALS***

Manager  
Controller

Greg Brizendine  
David Smith

### ***ADDRESS***

District

692 Eastmont Avenue  
P.O. Box 7190  
East Wenatchee, WA 98802  
(509) 884-3569

# Audit Areas Examined

## East Wenatchee Water District Douglas County November 20, 2008

In keeping with general auditing practices, we do not examine every portion of the East Wenatchee Water District'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:

- General disbursements
- Payroll
- Travel
- Procurement – bid law
- Utility billing

### **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
- Capital assets
- Revenues
- Expenses
- Financial condition
- Overall presentation of the financial statements
- Financial statement preparation



## **ABOUT THE STATE AUDITOR'S OFFICE**

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The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

Our mission is to work in cooperation with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office has 300 employees who are located around the state to deliver our services effectively and efficiently. Approximately 65 percent of our staff are certified public accountants or hold other certifications and advanced degrees.

Our regular audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. We also perform fraud and whistleblower investigations. In addition, we have the authority to conduct performance audits of state agencies and local governments.

The results of our audits are widely distributed through a variety of reports, which are available on our Web site. We continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive program to coordinate audit efficiency and to ensure high-quality audits.

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**Jan Jutte**  
**Mike Murphy**  
**Mindy Chambers**  
**Mary Leider**  
**(360) 902-0370**  
**(866) 902-3900**

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