
Washington State Auditor's Office

Exit Conference



Highland Water District

January 1, 2004 through December 31, 2005

November 28, 2006

Highland Water District

Exit Conference

Audit Scope

This audit covered the period beginning January 1, 2004 and ending December 31, 200~~6~~⁵

Attendees

Highland Water District:

SAO:

Camille Tabor	Audit Manager
Courtney Amonsens	Assistant Audit Manager
Benjamin Hainline	Assistant State Auditor

Audit Coverage

Our audit was planned and conducted using a risk-based approach in these general areas:

- Accountability for public resources
- Compliance with state laws and regulations and entity policies

We did not examine every portion of the entity's financial activities during the audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse of public resources.

Accountability for Public Resources/Legal Compliance

We evaluated the entity's accountability and compliance with certain state laws and regulations and its own policies in the following areas:

- Cash receipting and revenues
- Small and attractive assets
- Limitations of indebtedness
- Terminated accounts
- Overdue Accounts
- Refunds
- Open Public meetings act

Audit Reports

Accountability Reports

We will issue the Entity type's report showing the results of our accountability audit. This report summarizes the results of the accountability audit for audit period.

Audit Recommendations

We are pleased to report no findings or management letter items. We will review the status of exit items in our next audit.

Exit items:

Overdue Accounts

Management approval of partial payments on past due accounts should be documented as evidence that the District is in compliance with its own policy.

Asset Policy

The District should establish a policy over small and attractive assets to reduce the risk of misappropriation.

Description of the District

Highland Water District Snohomish County November 3, 2006

ABOUT THE DISTRICT

The Highland Water District was formed April 1, 1998. The District provides water services to 1170 customers located in approximately 16 miles of unincorporated Snohomish County, between Monroe and Sultan. The District has three employees and generated \$804,839 in revenue in 2005 and \$1,423,997 in 2004. The District purchases its water from the City of Everett. Three Commissioners, elected to six-year terms, govern the District.

AUDIT HISTORY

We audit the district once every two years. This is its fourth audit. We have reported no findings. Our audit recommendations have been positively acknowledged by the district.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners

Richard Johnson
Donovan Sheppard
Ted Stonebridge

APPOINTED OFFICIALS

ADDRESS

District

24602 Old Owen Rd
Mailing address: PO Box 158
Monroe, WA 98272

Preparation for Future Audits

Preparation Sheet to use for your next audit. The items listed we would appreciate having available for us at the start of fieldwork

- Three year revenue/expense trend analysis with explanations for more significant changes—or the lack of change if circumstances would otherwise result in an expectation of change. Also we prefer this compare the current year actuals to the original adopted budget. And the analysis should be at the detailed chart of accounts level.
- If it is likely that the cumulative expenditures of Federal grant assistance from all federal programs will total \$500,000 or more, the audit needs to be issued 9 months after your entity's year end. Please call us as soon as possible if this occurs at our office at (425) 257-2137.
- If you incur a known or suspected loss of public funds or assets or other illegal activity, Chapter 43.09.185 RCW requires that you immediately report it to the State Auditor's Office. Our phone is 425-257-2137.
- Financial Statement Users—If you have requests for copies of your financial statements or other financial information—please maintain a file for our review. If we have a better understanding of who uses the financial statements and why, we will be able to add focus to better ensure users have reliable information.
- Current organization chart
- Current phone list
- Index of current organization policies and procedures
- Board minutes dated from the beginning of the audit period through the current date
- Insurance coverage summary & surety bond coverage summary
- Reconciled bank statements at audit year end
- State Investment Pool year-end statement
- Budgets and amendments for year(s) audited
- Copy of general ledgers for audit year(s)
- Financial statements and notes
- Schedule 9 (Long Term Debt)
- Schedule 10 (Limitation of Indebtedness)
- Schedule of Expenditures of Federal Awards
- Schedule of State and Local Financial Assistance
- New debt agreements, if any, and related amortization schedules
- Listing of public work projects bid during the year
- List of all attorneys representing the entity and their addresses
- List of Board members who served during year(s) audited