
Washington State Auditor's Office

Exit Conference

Highland Water District

January 1, 2009 through December 31, 2009

October 27, 2010



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR

Audit Information

Audit Scope

Our audit was planned and conducted using a risk-based approach covering the following general areas for the period beginning January 1, 2009 and ending December 31, 2009:

- Financial statements

In keeping with general auditing practices, we did not examine every transaction, activity or area. Instead, our procedures focused on identifying and examining those transactions, activities or areas that posed the highest risk.

Financial Statements

We performed an audit of the financial statements in accordance with *Government Auditing Standards* to conclude whether the statements were presented fairly in all material respects. Our audit was conducted on a test basis and cannot be relied upon to identify every instance of misstatement, fraud or noncompliance in the financial statements.

As part of our audit of the financial statements, we obtained an understanding of internal controls over financial reporting. *Government Auditing Standards* also required us to test compliance with any provisions of laws, regulations, contracts and grant agreements that could materially affect financial statement amounts or data significant to the audit.

Audit Reports

Financial Statement Reports

This report includes our opinion on the financial statements. An unqualified opinion will be issued which means the financial statements are presented fairly, in all material respects.

It also includes our report on internal control over financial reporting and on noncompliance and other matters as required by *Government Auditing Standards*. That report will not include any findings.

These reports are expected to be issued within two weeks and will be published on our website and distributed via e-mail in an electronic .pdf file. However, a printed copy of the audit report may be requested at any time by contacting your Audit Manager.

We also offer a free subscription service that allows you to be notified by email when audit reports are released or posted to our Web site. You can sign up for this convenient service on our website at:

www.sao.wa.gov/EN/News/Subscriptions

Other Required Communications

In addition to our audit reports, we are required by professional auditing standards to communicate other significant issues to the Board Members as follows:

- There were no significant difficulties encountered or disagreements with entity management during the audit.
- There were no material misstatements corrected by management during the audit.
- There were no uncorrected misstatements in the audited financial statements.

Audit Results

Audit Recommendations

We are pleased to report no audit recommendations for the fiscal year 2009 audit.

There were no recommendations reported in the prior audit.

Concluding Remarks

We would like to thank officials and employees for their helpfulness and timely response to our audit requests. We will be sending an e-mail to Susan Forbes, Administrative Assistant, regarding an on-line customer service survey. This email will be from "State Auditor's Office <WA-StateAuditor@sao.wa.gov>". Please take a few minutes to complete this survey. Your feedback is important to our on-going commitment to continually develop and improve our audit process.

Your next audit is scheduled to be conducted in 2011 and will cover the following general areas:

- Financial Statement

If expenditures of federal awards are \$500,000 or more in any fiscal year, please notify our Office so we can schedule your audit to meet federal single audit requirements. Federal awards can include grants, loans, and non-cash assistance such as equipment and supplies.