

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

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**Highland Water District**  
**Snohomish County**

Report Date  
**June 1, 2012**

**Report No. 1008136**

Issue Date  
**August 13, 2012**



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR



**Washington State Auditor  
Brian Sonntag**

August 13, 2012

Board of Commissioners  
Highland Water District  
Monroe, Washington

***Report on Accountability***

We appreciate the opportunity to work in cooperation with your District to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role to advocate for government accountability and transparency and to promote positive change.

Please find attached our report on the Highland Water District's accountability and compliance with state laws and regulations and its own policies and procedures. Thank you for working with us to ensure the efficient and effective use of public resources.

Sincerely,

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

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Snohomish County  
June 1, 2012**

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# Audit Summary

## Highland Water District Snohomish County June 1, 2012

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

This report contains the results of our independent accountability audit of the Highland Water District from January 1, 2010 through December 31, 2011.

We evaluated internal controls and performed audit procedures on the activities of the District. We also determined whether the District complied with state laws and regulations and its own policies and procedures.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. The following areas were examined during this audit period:

- Payroll/personnel
- Open Public Meetings Act

### ***RESULTS***

In the areas we examined, the District's internal controls were adequate to safeguard public assets. The District also complied with state laws and regulations and its own policies and procedures in the areas we examined.

## Related Reports

**Highland Water District  
Snohomish County  
June 1, 2012**

### ***FINANCIAL***

Our opinion on the District's financial statements is provided in a separate report, which includes the District's financial statements.

# Description of the District

## Highland Water District Snohomish County June 1, 2012

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

The Highland Water District was formed April 1, 1998. The District provides water services to 1,187 customers located in unincorporated Snohomish County, between the towns of Monroe and Sultan. The District purchases its water from the city of Everett.

An elected, three-member Board of Commissioners governs the District. Commissioners serve staggered, six year terms. The District has three employees. For fiscal years 2010 and 2011, the District's annual operating revenue were \$949,003 and \$949,346, respectively.

### ***ELECTED OFFICIALS***

These officials served during the audit period:

Board of Commissioners

Donovan Sheppard  
Richard Johnson  
Ted Stonebridge

### ***APPOINTED OFFICIALS***

General Manager

Robert Shonka

Note: Robert Shonka served until his retirement in September 2011. The position was unfilled at the time of our audit report.

### ***DISTRICT CONTACT INFORMATION***

Address: Highland Water District  
24602 Old Owen Road  
P.O. Box 158  
Monroe, WA 98272

Phone: (360) 794-6900

Website: [www.highlandwaterdistrict.com](http://www.highlandwaterdistrict.com)

## **AUDIT HISTORY**

We audit the District every two years for accountability and annually for financial statements. The past seven audits have reported no findings. All audit recommendations have been positively acknowledged by the District.



## **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 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 employees are located around the state to deliver services effectively and efficiently.

Our 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. In addition, we conduct performance audits of state agencies and local governments and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

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