

Washington State Auditor's Office

Accountability Audit Report

Liberty Lake Sewer and Water District No. 1 Spokane County

Report Date
June 17, 2014

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July 28, 2014



**Washington State Auditor
Troy Kelley**

Independence • Respect • Integrity



Washington State Auditor Troy Kelley

July 28, 2014

Board of Commissioners
Liberty Lake Sewer and Water District No. 1
Liberty Lake, 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 Liberty Lake Sewer and Water District No. 1'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,

TROY KELLEY
STATE AUDITOR

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Spokane County
June 17, 2014

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Audit Summary

Liberty Lake Sewer and Water District No. 1 Spokane County June 17, 2014

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Liberty Lake Sewer and Water District No. 1 from January 1, 2012 through December 31, 2013.

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:

- Billings/receivables (utilities)
- Procurement (bidding)
- Payroll/personnel
- Third party cash receipting
- Payments/expenditures
- Financial condition

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

Liberty Lake Sewer and Water District No. 1
Spokane County
June 17, 2014

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

Liberty Lake Sewer and Water District No. 1 Spokane County June 17, 2014

ABOUT THE DISTRICT

Liberty Lake Sewer and Water District No. 1 was formed in 1973 to provide sewer and water service and to protect the ecological health of Liberty Lake. The District provides sewer and water service to approximately 2,600 customers in Spokane County.

An elected, three-member Board of Commissioners governs the District. The Board appoints a General Manager to oversee the District's daily operations as well as its 10 employees. For 2012 and 2013, the District operated on an annual budget of \$3.4 million and \$3.1 million, respectively.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Tom Agnew
Steve Skipworth
Frank Boyle

Note: Kottayam Natarajan Jr. replaced Frank Boyle in November 2012.

APPOINTED OFFICIALS

General Manager

F. Lee Mellish Dr. P.H.

Note: BiJay Adams replaces Lee Mellish in March 2013.

DISTRICT CONTACT INFORMATION

Address: Liberty Lake Sewer and Water District No. 1
22510 E. Mission Avenue
Liberty Lake, WA 99019

Phone: 509-922-5443

Website: www.libertylake.org

AUDIT HISTORY

We audit the District once every two years. The District has been free of accountability audit findings for 13 consecutive audits. This reflects the District's commitment to maintain strong financial and compliance systems.



ABOUT THE STATE AUDITOR'S OFFICE

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.

We 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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