



**Washington State Auditor's Office**

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## **Accountability Audit Report**

# **City of Bridgeport**

**Douglas County**

**For the period January 1, 2014 through December 31, 2015**

**Published July 28, 2016**

**Report No. 1017023**





## Washington State Auditor's Office

July 28, 2016

Mayor and City Council  
City of Bridgeport  
Bridgeport, Washington

### Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for City operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the City's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

A handwritten signature in cursive script that reads "Troy X. Kelley".

TROY KELLEY  
STATE AUDITOR  
OLYMPIA, WA

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## AUDIT SUMMARY

### Results in brief

In the areas we audited, City operations complied with applicable requirements and provided adequate safeguarding of public resources. The City also complied with state laws and regulations and its own policies and procedures in the areas we examined.

### About the audit

This report contains the results of our independent accountability audit of the City of Bridgeport from January 1, 2014 through December 31, 2015.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the City's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

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 fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Cash receipting
- Procurement (bidding/prevaling wage)
- Cost allocation
- Payroll/personnel

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

This schedule presents the status of findings reported in prior audit periods. The status listed below is the representation of the City of Bridgeport. The State Auditor's Office has reviewed the status as presented by the City.

<b>Audit Period:</b> January 1, 2014 – December 31, 2014	<b>Report Ref. No.:</b> 1015223	<b>Finding Ref. No.:</b> 2014-001
<b>Finding Caption:</b> The City did not have adequate internal controls over the accuracy of financial statements and schedules.		
<b>Background:</b> It is the responsibility of City management to design and follow internal controls that provide reasonable assurance over the accuracy of financial reporting. We identified the following deficiencies in internal controls that when taken together, represent a significant deficiency: <ul style="list-style-type: none"> <li>• The City staff did not perform a detailed review of the financial statements and supplementary schedules to verify they are accurate and complete. Further, the City did not implement a secondary review of the financials.</li> <li>• The City staff did not understand that expenditures paid within the first twenty days of January that related to the prior year's budget appropriations should be reported as expenditures in the prior year.</li> </ul> As a result, the City did not properly accrue 2013 expenses paid in 2014, resulting in a \$366,400 overstatement of expenditures on the Statement of Fund Resources and Uses Arising from Cash Transactions (C-4 Statement) and the SEFA.		
<b>Status of Corrective Action:</b> <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> Fully Corrected         </div> <div> <input type="checkbox"/> Partially Corrected         </div> <div> <input type="checkbox"/> Not Corrected         </div> <div> <input type="checkbox"/> Finding is considered no longer valid         </div> </div>		
<b>Corrective Action Taken:</b> <i>The new Clerk/Treasurer has received extensive training and attended numerous seminars relating to public accounting, budgeting, and finance. In addition, the City has implemented a procedure for a detailed secondary examination of the annual financial report.</i>		

## INFORMATION ABOUT THE CITY

The City of Bridgeport, incorporated in 1910, serves approximately 2,300 citizens in Douglas County. The City is governed by a five-member Council and elected Mayor. The City' six full-time employees and other seasonal employees provide services including street maintenance, water, sewer, garbage utilities, parks, ambulance and cemetery. In addition, the City also operates a swimming pool and camping facility during the summer months. For fiscal years 2014 and 2015, the City operated on budgets of \$1.8 million and \$1.7 million, respectively.

<b>Contact information related to this report</b>	
Address:	City of Bridgeport P.O. Box 640 Bridgeport, WA 98813
Contact:	Judy Brown, Clerk-Treasurer
Telephone:	(509) 686-4041
Website:	<a href="http://www.bridgeportwashington.net">www.bridgeportwashington.net</a>

*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the City of Bridgeport at <http://portal.sao.wa.gov/ReportSearch>.

## 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 to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

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

Contact information for the State Auditor's Office	
Public Records requests	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
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