

# **Washington State Auditor's Office**

## **Accountability Audit Report**

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### **Public Utility District No. 1 of Jefferson County**

Report Date  
**March 27, 2014**

**Report No. 1012050**

Issue Date  
**June 9, 2014**



**Washington State Auditor**  
**Troy Kelley**

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## Washington State Auditor Troy Kelley

June 9, 2014

Board of Commissioners  
Public Utility District No. 1 of Jefferson County  
Port Hadlock, 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 Public Utility District No. 1 of Jefferson County'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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# Audit Summary

## Public Utility District No. 1 of Jefferson County March 27, 2014

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

This report contains the results of our independent accountability audit of Public Utility District No. 1 of Jefferson County from January 1, 2010 through December 31, 2012.

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:

- Accounting/financial reporting/financial condition
- Open public meeting minutes
- Cash receipting
- Billings/receivables
- Payments/expenditures
- Procurement (bid laws)
- Contracts/agreements

### ***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**

### **Public Utility District No. 1 of Jefferson County March 27, 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**

### **Public Utility District No. 1 of Jefferson County March 27, 2014**

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

Public Utility District No. 1 of Jefferson County supplies water to approximately 4,290 customers on water systems throughout Jefferson County. The District also operates community septic systems and monitors alternative drain fields.

An elected, three-member Board of Commissioners governs the District. The Board appoints a Manager to oversee the District's daily business operations as well as its nine employees. For 2010 through 2012, the District operated on annual budgets of approximately \$2.2 million.

#### ***ELECTED OFFICIALS***

These officials served during the audit period:

Board of Commissioners:

Wayne King  
Barney Burke  
Ken McMillen

#### ***APPOINTED OFFICIALS***

General Manager

James G. Parker

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

Address: Public Utility District No. 1 of Jefferson County  
230 Chimacum Road  
P.O. Box 929  
Port Hadlock, WA 98339

Phone: 360-385-5800

Website: [www.jeffpud.org](http://www.jeffpud.org)

## ***AUDIT HISTORY***

We have typically audited the District every two years, although the current audit covers a three-year period. Prior to the current audit the District had not received a finding in 14 years.



## **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.

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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**Deputy Director of Quality Assurance**  
**Deputy Director of Communications**  
**Local Government Liaison**  
**Public Records Officer**  
**Main number**  
**Toll-free Citizen Hotline**

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