

Washington State Auditor's Office
Accountability Audit Report

Town of Rosalia
Whitman County

Report Date
April 1, 2005

Report No. 68792

Issue Date
June 17, 2005



Washington _____
State Auditor

Brian Sonntag



**Washington State Auditor
Brian Sonntag**

June 17, 2005

Council
Town of Rosalia
Rosalia, Washington

Report on Accountability for Public Resources

Please find attached our report on the Town of Rosalia's accountability for public resources and compliance with state laws and regulations and its own policies and procedures.

In addition to this work, we also audit the Town's financial statements and compliance with federal laws and regulations. The results of that audit will be included in a separately issued audit report.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Whitman County
April 1, 2005**

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Audit Summary

**Town of Rosalia
Whitman County
April 1, 2005**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Town of Rosalia.

We performed audit procedures to determine whether the Town complied with state laws and regulations and its own policies and procedures. We also examined Town management's accountability for public resources. Our work focused on specific areas that have potential for abuse and misuse of public resources.

Areas examined during the audit were selected using financial transactions from January 1, 2004 through December 31, 2004.

RESULTS

The Town complied with state laws and regulations and its own policies and procedures in the areas we examined. Internal controls were adequate to safeguard public assets.

RELATED REPORTS

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

CLOSING REMARKS

We thank Town officials and personnel for their assistance and cooperation during the audit.

Description of the Town

Town of Rosalia Whitman County April 1, 2005

ABOUT THE TOWN

The Town of Rosalia serves 640 citizens in Whitman County and is administered by a mayor-council form of government with a five-member Council and an independently elected Mayor. The Town operated on a \$1.8 million annual budget for 2004. Its seven employees provide an array of services including public safety, fire prevention, street improvement, parks and recreation, water and sewer.

AUDIT HISTORY

We audit the Town every year. For this audit and the previous two audits, the Town was able to prepare accurate and complete financial statements and had no audit findings. In 2001, we performed a three-year audit and reported some areas of concern. The Town experienced weaknesses in financial recording processes resulting in incomplete and inaccurate accounting records for 2001, 2000 and 1999. As a result, the Town received an audit finding and could not prepare financial statements for those years.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor
Council:

Ken Jacobs
Bob Hill
Pat Voge
Pete Morgan
Jim Stenhouse
Pete Leonard

Note: Pete Leonard resigned from office in July of 2004. Dan Brown filled the open position in August of 2004.

APPOINTED OFFICIALS

Clerk-Treasurer
Deputy Clerk
Attorney

Jenna McDonald
Anita Wendt
Steve Bishop

ADDRESS

Town

P.O. Box 277
Rosalia, WA 99170

Audit Areas Examined

Town of Rosalia Whitman County April 1, 2005

In keeping with general auditing practices, we do not examine every portion of the Town of Rosalia's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the Town were examined during this audit period:

ACCOUNTABILITY FOR PUBLIC RESOURCES

We evaluated the Town's accountability in the following areas:

- Payroll
- Building permits processing
- Utility receipting, billing and accounts receivable
- General disbursements
- Small and attractive assets
- Financial statement preparation

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Budget compliance
- Open Public Meetings Act
- Contracts and agreements
- Competitive bidding requirements
- Interfund transactions
- Ethics/conflict of interest laws
- Legal and supported payments
- Budgeting requirements

FINANCIAL AREAS

Our opinion on the Town's financial statements is provided in a separate report. That report includes the Town's financial statements and other required financial information. We examined the financial activity and balances of the Town including:

- Cash and investments
- Revenues
- Expenditures
- Long-term debt
- Overall presentation of the financial statements