

Washington State Auditor's Office
Accountability Audit Report

Town of Washtucna
Adams County

Report Date
May 12, 2004

Report No. 68912

Issue Date
July 1, 2005



Washington _____
State Auditor

Brian Sonntag



**Washington State Auditor
Brian Sonntag**

July 1, 2005

Mayor and Town Council
Town of Washtucna
Washtucna, Washington

Report on Accountability for Public Resources

Please find attached our report on the Town of Washtucna'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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Adams County
May 12, 2004**

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Audit Summary

**Town of Washtucna
Adams County
May 12, 2004**

ABOUT THE AUDIT

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

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, 2002, 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 and compliance with federal program requirements is provided in a separate report, which includes the Town's financial statements.

CLOSING REMARKS

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

Description of the Town

Town of Washtucna Adams County May 12, 2004

ABOUT THE TOWN

The Town of Washtucna serves approximately 260 citizens and is administered by five elected Council Members and an independently elected Mayor. The Town also has one administrative staff person, one part-time Clerk/Treasurer, one full-time Superintendent of Public Works and a few seasonal employees; the average number of employees is nine.

The Town provides services including street improvement, water and wastewater and garbage. The Town operated on a budget of approximately \$250,000 for 2002; \$340,000 for 2003 and \$1.8 million for 2004. The increased budget activity in 2004 was due to large project for housing rehabilitation and a water system project, both significantly funded by federal grants and loans.

AUDIT HISTORY

We generally audit the Town every other year. However, this audit covers a three year period. This audit marks the fifth consecutive audit in which no findings were reported. We believe this reflects the Town's commitment to maintain a strong financial and compliance system.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor
Council:

Syd Sullivan
William Plumb
Carol Sullivan
Thomas Hays
William Bragg
Davida Hille

Note: Mark Plummer was replaced by William Bragg in 2003 and Neil Todd was replaced by Syd Sullivan in May 2003.

APPOINTED OFFICIALS

Clerk/Treasurer

Ellen Baumann

ADDRESS

Town

PO Box 713
Southeast 165 Main Street
Washtucna, WA 99371

Audit Areas Examined

Town of Washtucna Adams County May 12, 2004

In keeping with general auditing practices, we do not examine every portion of the Town of Washtucna'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
- Cash receipting
- Utilities billings and account receivables
- Purchase of goods and services
- Financial statement preparation and journal entries
- Petty cash accounts

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

- Use of restricted funds
- Required financial schedules
- Budgeting requirements
- Ethics/conflict of interest laws
- Open Public Meetings Act
- Competitive bidding requirements
- Use of hotel/motel tax revenues
- Inter-fund transactions
- Contracts and agreements
- Legal and supported payments
- Compliance with debt covenants

FEDERAL PROGRAMS

We evaluated internal controls and tested compliance with federal program requirements, as applicable, for the Town's major federal program, which is listed in the Federal Summary section of the financial statement and single audit report.

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