

Washington State Auditor's Office
Accountability Audit Report

West Sound Utility District No. 1
Kitsap County

Report Date
January 2, 2013

Report No. 1009135

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February 19, 2013



WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

February 19, 2013

Board of Commissioners
West Sound Utility District No. 1
Port Orchard, 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 West Sound Utility 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

Table of Contents

**West Sound Utility District No. 1
Kitsap County
January 2, 2013**

Audit Summary 1

Related Reports 2

Description of the District 3

Audit Summary

West Sound Utility District No. 1 Kitsap County January 2, 2013

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of West Sound Utility District No. 1 from January 1, 2010 through December 31, 2011.

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:

- Utility billings
- Accounts receivable adjustments
- Aged receivables

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

**West Sound Utility District No. 1
Kitsap County
January 2, 2013**

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

West Sound Utility District No. 1 Kitsap County January 2, 2013

ABOUT THE DISTRICT

In November 2007, the rate payers of Annapolis Water District and Karcher Creek Sewer District voted to consolidate the districts and form West Sound Utility District. The District provides water and sewer service to approximately 7,000 customers. The District is also responsible for managing operations of the South Kitsap Water Reclamation Facility. The Facility is a joint venture between the District and the city of Port Orchard for wastewater treatment.

Historically, the District was governed by five Commissioners. As Commissioners' terms expire, the Board will eventually operate as a three-member Board. For 2010 and 2011, the District operated on annual budgets of approximately \$6.2 and \$6.0 million, respectively, with 24 employees.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:	James Hart Bill Huntington (through December 2011) Susan Way Jeannie Screws Jerry Lundberg
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APPOINTED OFFICIALS

General Manager	Michael Wilson
Finance Manager	Denita Patton
Customer Service Manager	Susan Fowler

DISTRICT CONTACT INFORMATION

Address:	West Sound Utility District No. 1 2924 S.E. Lund Avenue Port Orchard, WA 98366
Phone:	(360) 876-2545
Website:	www.karchercreek.org

AUDIT HISTORY

The District is audited every two years. This is the second audit of the District with no findings.



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.

Our mission is to 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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