

Washington State Auditor's Office
Accountability Audit Report

Lake Whatcom Water and Sewer District
Whatcom County

Report Date
October 25, 2011

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November 21, 2011



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

November 21, 2011

Board of Commissioners
Lake Whatcom Water and Sewer District
Bellingham, 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 the Lake Whatcom Water and Sewer District'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,

A handwritten signature in black ink that reads "Brian Sonntag".

**BRIAN SONNTAG, CGFM
STATE AUDITOR**

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Whatcom County
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Audit Summary

Lake Whatcom Water and Sewer District Whatcom County October 25, 2011

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Lake Whatcom Water and Sewer District from January 1, 2010 through December 31, 2010.

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:

- Software controls
- Cash receipting
- Local Improvement District
- Compliance with bid requirements
- Open Public Meetings Act

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

**Lake Whatcom Water and Sewer District
Whatcom County
October 25, 2011**

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

Lake Whatcom Water and Sewer District Whatcom County October 25, 2011

ABOUT THE DISTRICT

Lake Whatcom Water and Sewer District, formerly Whatcom County Water District No. 10, was established in 1968. The District provides water and sewer services to approximately 4,000 customers in an 18 square mile area surrounding Lake Whatcom.

An elected, five-member Board of Commissioners governs the District. The Board appoints a General Manager to oversee the District's daily operations as well as its staff of 18 employees. Revenues come from utility payments for water and sewer service, as well as payments for other services. For fiscal year 2010, the District operated on an operations and maintenance budget of approximately \$4.2 million.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Todd Citron
Blair Ford (through September 2010)
Thomas Hadd (through July 2010)
Deborah Lambert
Leslie Mc Roberts
John W. Millar (effective November 2010)
Laura Weide (effective September 2010)

APPOINTED OFFICIALS

General Manager

Jim Neher (retired July 2010)
Patrick Sorensen (effective August 2010)

DISTRICT CONTACT INFORMATION

Address: Lake Whatcom Water and Sewer District
1220 Lakeway Drive
Bellingham, WA 98229

Phone: (360) 734-9224

Website: www.lwwsd.org

AUDIT HISTORY

We audit the District annually. The District's past five audits were free of 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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Brian Sonntag, CGFM
Ted Rutt
Doug Cochran
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Chuck Pfeil, CPA
Larisa Benson
Jim Brittain, CPA
Jan Jutte, CPA, CGFM
Ivan Dansereau
Mike Murphy
Mindy Chambers
Mary Leider
(360) 902-0370
(866) 902-3900

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