

**Washington State Auditor's Office**  
**Accountability Audit Report**

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**Beacon Hill Sewer District**  
**Cowlitz County**

Report Date  
**September 27, 2006**

**Report No. 71992**

Issue Date  
**March 9, 2007**



Washington \_\_\_\_\_  
***State Auditor***  
\_\_\_\_\_  
Brian Sonntag



**Washington State Auditor  
Brian Sonntag**

March 9, 2007

Board of Commissioners  
Beacon Hill Sewer District  
Kelso, Washington

***Report on Accountability for Public Resources***

Please find attached our report on the Beacon Hill Sewer District'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 District's financial statements. The results of that audit will be included in a separately issued audit report.

Sincerely,

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

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Cowlitz County  
September 27, 2006**

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# Audit Summary

## Beacon Hill Sewer District Cowlitz County September 27, 2006

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

This report contains the results of our independent accountability audit of the Beacon Hill Sewer District.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also examined District 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, 2005.

### ***RESULTS***

The District 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 District's financial statements is provided in a separate report, which includes the District's financial statements.

### ***CLOSING REMARKS***

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

# Description of the District

## Beacon Hill Sewer District Cowlitz County September 27, 2006

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

The Beacon Hill Sewer District is in Cowlitz County and was formed in June 1959. The District has three elected Board Members who appoint a Manager. The District has seven employees.

The District has approximately 2,969 customers. Residential customers are billed every other month and most commercial customers are billed monthly. In addition, there are four excessive use commercial accounts that are billed monthly on a metered water consumption basis. The District operated on revenues of \$1.3 million in 2004 and \$1.4 million in 2005.

### ***AUDIT HISTORY***

We audit the District every two years. This audit marked the 10<sup>th</sup> consecutive year no findings were reported for the District.

### ***ELECTED OFFICIALS***

These officials served during the audit period:

Board of Commissioners:  
President

Monte Roden  
Ted Branch  
Dean Takko

### ***APPOINTED OFFICIALS***

Manager  
Attorney

Don Manasco  
Alan Engstrom

### ***ADDRESS***

District

1121 Westside Highway  
Kelso, WA 98626

# Audit Areas Examined

## Beacon Hill Sewer District Cowlitz County September 27, 2006

In keeping with general auditing practices, we do not examine every portion of the Beacon Hill Sewer District'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 District were examined during this audit period:

### **ACCOUNTABILITY FOR PUBLIC RESOURCES**

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

- Cash receipting and revenues
- Fixed assets
- Payroll
- Cash disbursements

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

- Ethics/conflict of interest laws
- Open Public Meetings Act
- Competitive bid law compliance
- Public works contracts

### **FINANCIAL AREAS**

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

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