

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

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**Freeland Water District**  
**(Freeland Water and Sewer District)**  
**Island County**

Report Date  
**November 17, 2009**

**Report No. 1002757**

Issue Date  
**January 4, 2010**



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR



**Washington State Auditor  
Brian Sonntag**

January 4, 2010

Board of Commissioners  
Freeland Water and Sewer District  
Freeland, 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 Freeland 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,

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

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# Audit Summary

Freeland Water and Sewer District  
Island County  
November 17, 2009

## ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of the Freeland Water and Sewer District for January 1, 2006, through December 31, 2008.

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:

- Procurement – purchase of the Harbor Hills Water System
- Bid law compliance
- Inter-local agreements
- Filing annual financial reports
- 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.

## **Description of the District**

**Freeland Water and Sewer District  
Island County  
November 17, 2009**

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

The Freeland Water and Sewer District is a municipal corporation formed in 1964. The District includes both commercial and residential customers with 442 metered connections and a core capacity of 550 connections. On July 1, 2007, the District purchased Harbor Hills Water System for \$1.2 million. The Harbor Hills Water System has 390 metered connections and a core capacity of 550 connections.

An elected, three-member Board of Commissioners governs the District. The District has one Administrative Assistant who administers the District's operations. In addition, the District contracts its water maintenance services to a certified operator. For the years under audit, the District's annual revenue was approximately \$230,000.

### ***ELECTED OFFICIALS***

These officials served during the audit period:

Board of Commissioners:

Nolen Knickerbocker  
Chuck Maddox  
Michael Saran (resigned July 2007)  
Eric Hansen (appointed August 2007)

### ***APPOINTED OFFICIALS***

Administrative Assistant

Sandy Duncan

### ***DISTRICT CONTACT INFORMATION***

Address: Freeland Water and Sewer District  
5492 Harbor Avenue  
P.O. Box 222  
Freeland, WA 98249

Phone: (360) 331-5566

Web site: [www.freelandswd.com](http://www.freelandswd.com)

## **AUDIT HISTORY**

The District's last accountability audit was for the period January 1, 1998, through December 31, 2000. Since that time, the District has received annual accountability assessment audits. The District did not receive any recommendations during these periods.



## **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 in cooperation 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 our 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 continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

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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