

Washington State Auditor's Office
Accountability Audit Report

Lakehaven Utility District
King County

Report Date
December 20, 2013

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January 21, 2014



WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

January 21, 2014

Board of Commissioners
Lakehaven Utility District
Federal Way, 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 Lakehaven Utility 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,

TROY KELLEY
STATE AUDITOR

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King County
December 20, 2013**

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Audit Summary

**Lakehaven Utility District
King County
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ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Lakehaven Utility District from January 1, 2012 through December 31, 2012.

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:

- General disbursements
- Contracted services
- Sales – billing and receipting
- Payroll

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

**Lakehaven Utility District
King County
December 20, 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

Lakehaven Utility District King County December 20, 2013

ABOUT THE DISTRICT

The Lakehaven Utility District provides water and wastewater services in King and Pierce counties. The District encompasses an area of approximately 35 square miles with a service population of approximately 112,000 citizens including most of the city of Federal Way and small portions of the cities of Auburn, Pacific, Tacoma, Des Moines and Milton. In addition, the District serves an unincorporated area of King County, which is approximately 18 square miles and is located north of Federal Way and west of Auburn.

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 109 employees. For fiscal year 2012, the District operated on an annual budget of approximately \$32 million.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Leonard England
Charles Gibson
Tim McClain
Don Miller
Ron Nowicki

APPOINTED OFFICIALS

General Manager
General Counsel
Director of Finance and Information
Technology

John Bowman
Steve Pritchett

Morgan Dennis

DISTRICT CONTACT INFORMATION

Address: Lakehaven Utility District
31627 First Avenue S.
P.O. Box 4249
Federal Way, WA 98063-4249

Phone: (253) 941-1516

Website: www.lakehaven.org

AUDIT HISTORY

We audit the District annually. The past 16 audits have been 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.

We 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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Deputy Director of Communications
Local Government Liaison
Public Records Officer
Main number
Toll-free Citizen Hotline

Troy Kelley
Doug Cochran
Chuck Pfeil, CPA
Kelly Collins, CPA
Jan M. Jutte, CPA, CGFM
Sadie Armijo
Mark Rapozo, CPA
Barb Hinton
Thomas Shapley
Mike Murphy
Mary Leider
(360) 902-0370
(866) 902-3900

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