



Washington State Auditor's Office

Upper Valley Parks and Recreation Service Area

October 17, 2016

Board of Commissioners
c/o City of Leavenworth
P.O. Box 287
Leavenworth, WA 98826

Dear Board of Commissioners:

We have completed our assessment audit of the Upper Valley Parks and Recreation Service Area from January 1, 2014 through December 31, 2015, and have presented the results that audit in the attached report. That report is a public record and will be posted to our website, www.sao.wa.gov.

We want to emphasize that if conditions change, a different type of audit may be required in future years. For example, if the District spends \$750,000 or more in any fiscal year, federal rules require the District to receive a financial statement and single audit for that year. Also, if annual revenue is expected to consistently exceed \$300,000, an onsite audit could be performed based on a pre-determined schedule. If you have exceeded or anticipate exceeding these thresholds, we ask that you contact our Office so we can help you meet your audit requirements.

If you have any questions or concerns, please do not hesitate to contact Philip Mendoza, Assistant Audit Manager, at (360) 725-5557 or mendozap@sao.wa.gov.

Sincerely,

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA



Washington State Auditor's Office

Government that works for citizens

Assessment Audit Report

Upper Valley Parks and Recreation Service Area

Chelan County

For the period January 1, 2014 through December 31, 2015

Published October 17, 2016

Report No. 1017706





Washington State Auditor's Office

October 17, 2016

Board of Commissioners
Upper Valley Parks and Recreation Service Area
Leavenworth, Washington

Report on Assessment Audit

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

The attached report describes the procedures performed and conclusions for the areas we reviewed. We appreciate the opportunity to work with your staff and we value your cooperation during the assessment audit.

Sincerely,

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

AUDIT SUMMARY

Results in brief

Based on the procedures performed, nothing came to our attention in the areas we reviewed that caused us to believe the District was not in substantial compliance with applicable state laws, regulations, and its own policies, or had significant weaknesses in controls over the safeguarding of public resources. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

About the assessment audit

This report contains the results of our independent audit of the Upper Valley Parks and Recreation Service Area from January 1, 2014 through December 31, 2015.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives. Local governments are also required by state law (RCW 43.09.230) to prepare and submit certified annual reports to our Office summarizing such things as revenues received, collections made, amounts receivable or payable, expenditures made, and debt owed.

This assessment audit was conducted under the authority of RCW 43.09.260, which requires the State Auditor's Office to examine the financial affairs of all local governments at least once every three years. Assessment audits are risk-based, limited-scope reviews of small local governments with less than \$300,000 in annual revenues. To help minimize audit costs, our work for this engagement was conducted off-site primarily using financial and other information provided by the District.

This assessment audit was limited to the following:

- Reviewing meeting minutes for compliance with the Open Public Meetings Act.
- Inquiring as to internal controls over assets, revenues, and disbursements.
- Verifying that annual reports submitted to our Office were complete and filed timely in compliance with state law.
- Reviewing the District's annual revenues and expenditures for unusual transactions or trends.
- Corroborating financial information reported by the District by comparing its annual revenues, expenditures, and cash and investment balances to third-party sources.

- Reviewing expenditures for indications of unusual activities, excessive Board of Commissioners compensation, conflicts of interest, or procurement requirements.
- Evaluating the District's financial information for indications of financial difficulties.

INFORMATION ABOUT THE DISTRICT

The Upper Valley Parks and Recreation Service Area was created in 1997 by an interlocal agreement between Chelan County and the City of Leavenworth. The purpose of the formation was to initially build a pool facility for the citizens that encompasses beyond the boundaries of the city of Leavenworth.

A six-member Board governs the District. The Board consists of one Chelan County Commissioner, two City of Leavenworth elected officials, one member of the Cascade School District Board of Directors and one member each of the Peshastin and Chumstick Community Councils. The Board continues to meet quarterly each year to review and pass the budget for operation of the pool and reviews recommendations for future expansion of a recreation area. The District operated on approximate annual revenue of \$293,000 in 2014 and \$208,000 in 2015. The District's main source of revenue is property taxes.

Contact information related to this report	
Address:	Upper Valley Parks and Recreation Service Area c/o City of Leavenworth P.O. Box 287 Leavenworth, WA 98826
Contact:	Chantell Steiner, Finance Director/City Clerk
Telephone:	(509) 548-5275

Information current as of report publish date.

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 to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov