



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Accountability Audit Report

**Tri-County Economic Development
District**

Stevens County

For the period January 1, 2012 through December 31, 2013

Published September 29, 2014

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Washington State Auditor

Troy Kelley

September 29, 2014

Board of Directors
Tri-County Economic Development District
Colville, Washington

Report on Accountability

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.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the District's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

TROY KELLEY
STATE AUDITOR

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AUDIT SUMMARY

Results in brief

In the areas we audited, District operations complied with applicable requirements and provided adequate safeguarding of public resources. The District also complied with state laws and regulations and its own policies and procedures in the areas we examined.

About the audit

This report contains the results of our independent accountability audit of the Tri-County Economic Development District from January 1, 2012 through December 31, 2013.

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.

Our audit involved performing procedures to obtain evidence about the District's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

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 fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Cash receipting
- Conflict of interest
- Safeguarding of small and attractive assets such as computers
- Payroll/personnel
- Payments/expenditures
- Compliance with grant requirements

RELATED REPORTS

Financial

Our opinion on the District's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the District's financial statements.

Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the District's major federal program, which is listed in the Federal Summary section of the financial statement and single audit report.

INFORMATION ABOUT THE DISTRICT

The Tri-County Economic Development District provides business assistance and manages economic development efforts in Ferry, Pend Oreille and Stevens counties. The District's revolving commercial loan program is funded by federal grants and loans. The District finances business expansion and start-up costs for businesses that do not qualify for traditional financing options and operates a business incubator that provides support for growing businesses. The District also offers programs and services that provide technical assistance for economic and community development, transportation planning and socio-economic and demographic data.

The District is governed by a Board of Directors. The Board consists of two commissioners from each county, an elected official or appointee from each incorporated town and city, a commissioner from each public utility and port district, a member from each Indian Tribe and representatives of private sector businesses, workforce development, education and health care. The Board appoints an Executive Director to oversee the District's daily operations as well as its five employees. For each of fiscal years 2012 and 2013, the District operated on budgets of approximately \$1.1 million.

Contact information related to this report

Address:	Tri-County Economic Development District 986 S. Main, Suite A Colville, WA 99114
Contact:	Rob Willford, Executive Director
Phone:	(509) 684-4571
Website:	www.TEDDonline.com

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Tri-County Economic Development District at <http://portal.sao.wa.gov/ReportSearch>.

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	
Deputy Director for Communications	Thomas Shapley Thomas.Shapley@sao.wa.gov (360) 902-0367
Public Records requests	(360) 725-5617
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov