

[Template for Exit – Email]

Subject: 2602 – Stevens County Fire Protection District No. 7 – Local Government Assessment Audit Exit

Greetings Kim Shaw,

We have performed a Local Government Assessment Audit for the years 2018 and 2019 for Stevens County Fire Protection District No. 7. Please see the attached exit letter which contains your government's concluding audit results. Please share this letter with the District's elected board. If you have any trouble opening the file please let me know.

In addition to the audit results provided in the attached exit letter, we found additional areas where the District could make improvements. Please see below:

- Cash Receipting – During our review of the District's cash receipting process, we noted the District normally deposits receipts once a month.
We recommend the District deposit funds within 24 hours of receipt, as required by state law (RCW 43.09.240). If this is not practical, we recommend the District request an exception from the County Treasurer, as allowed by the statute. Depositing regularly significantly reduces risk associated with locally receipted revenues.
- Annual Report Filing - Our review noted that the District did not file a Schedule 15 for fiscal years 2018 and 2019 to report their state grant expenditures. We further noted the District did not provide required supplemental financial information with the annual report, such as the 2019 resolutions passed and petty cash logs, as required in the annual report filing instructions.
We recommend the District take steps to ensure annual report submissions include all requested supplemental financial information and all schedules are completed accurately, as required in the annual report filing instructions.
- Prevailing Wages – During our review of the District's public works project for asphalt work, we noted the District did not comply with the prevailing wage requirements.
We recommend the District comply with prevailing wage provisions of state law (RCW 39.04.020 and RCW 60.28.010), which requires:
 - All contracts for public works state the hourly prevailing wage rate(s) as determined by the state Department of Labor and Industries and a requirement that workers not be paid less than the specified hourly rate.
 - The District receives a "Statement of Intent to Pay Prevailing Wages" from the contractor and every subcontractor.
 - The District refrains from making any payments until all statements of intent have been received.
 - The District receives an "Affidavit of Wages Paid" from the contractor and every subcontractor before retainage is released.

Please keep in mind that we are available all year for any questions that you may have. You may contact me directly or submit your questions through the HelpDesk in the Client Portal on our website, www.sao.wa.gov.

Sincerely,