

## **The City of DuPont Receives Clean Audit from State Auditor's Office**

The City of DuPont is pleased to announce that the City has received a clean audit opinion from the Washington State Auditor's Office (SAO). The annual audit covered the City's 2015 financial statements and 2014-2015 accountability audit. The accountability audit included the review of the following areas: cash receipting, payroll, disbursements, financial condition, use of restricted funds, cost allocation plan, equipment rental and reserve, and contracts. Audit procedures were performed to determine whether cities comply with applicable laws and regulations and their own policies and procedures. No findings were issued. A finding is a deficiency, material weakness, or misstatement, discovered during an audit, which the auditor is required to report.

This year the City also received a clean audit for the Transportation Benefit District (TBD), which focused on accountability for 2014-2015. The TBD collects funds to help pay for the City's arterial overlay program, road maintenance and preservation efforts. The audit also found the TBD is compliant with applicable laws and requirements and provides adequate safeguarding of public resources.

Of interest, SAO allows local governments to use generally accepted accounting principles (GAAP) "accrual basis" or "cash basis" of accounting. The City of DuPont uses "cash basis" to account and report its financial information per Washington State statutes using accounting practices prescribed by the State Auditor's Budgeting, Accounting and Reporting System (BARS) manual. A couple years ago, the AICPA began requiring audits performed on "cash basis" financial statements have dual audit opinions: one based on the "cash basis" presentation in which the City of DuPont received an unmodified or "Clean Audit" and one adverse opinion on the absence of GAAP financial statements. This adverse opinion does not have a negative effect on the City's financial statements or bond rating. It is simply stating we did not prepare statements in conformance with GAAP.

The Washington State Auditor's Office independently serves the citizens of Washington by promoting accountability, fiscal integrity and openness in state and local government. Working with these governments and with citizens, the office strives to ensure the efficient and effective use of public resources.

The following links will take you to view the audit reports:

- [2015 City of DuPont Financial Statement Audit](#)
- [2014-2015 City of DuPont Accountability Audit](#)
- [2014-2015 DuPont Transportation Benefit District Audit](#)