



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Examination Report

City of East Wenatchee

Douglas County

For the period July 1, 2012 through June 30, 2013



Published
Report No.



**Washington State Auditor
Troy Kelley**

March 25, 2015

Council
City of East Wenatchee
East Wenatchee, Washington

Marcie Frost, Director
Department of Retirement Systems
Olympia, Washington

Examination Report

The Washington State Department of Retirement Systems (DRS) administers eight public retirement systems for state and local government employees, with 15 different plans within those systems. These systems serve nearly 700,000 current and former public employees. Both public employers and their employees contribute to the retirement plans and the amounts they contribute are calculated as a percentage of the employee's pay.

Government entities are responsible for reporting accurate and complete pensionable wage and contribution information to DRS in accordance with the applicable retirement plan's requirements set forth in Title 415 of the Washington Administrative Code. The plan's actuarially derived pension liabilities are dependent on demographic data of the plan participants, which is referred to as census data. Significant elements of census data may include: date of birth; date of hire or years of services; marital status; eligible compensation; class of employee; gender; date of termination or retirement; spouse date of birth; and employment status (active, inactive, or retired).

Please find attached our examination report on the City of East Wenatchee.

Sincerely,

Signature Here (Please do not remove this line)

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

INDEPENDENT ACCOUNTANT'S REPORT

**City of East Wenatchee
Douglas County
July 1, 2012 through June 30, 2013**

Council
City of East Wenatchee
East Wenatchee, Washington

Marcie Frost, Director
Department of Retirement Systems
Olympia, Washington

We have examined the City of East Wenatchee's management's assertion that pensionable wages and contributions reported to the Washington State Department of Retirement Systems (DRS) for the year ended June 30, 2013 are accurate and complete in accordance with applicable retirement plan requirements set forth in Title 415 of the Washington Administrative Code.

The City's management is responsible for the assertion. Our responsibility is to express an opinion on the assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Accordingly, it included examining on a test basis, evidence supporting management's assertion and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, management's assertion above is fairly stated, in all material respects, based on the applicable retirement plan requirements set forth in Title 415 of the Washington Administrative Code.

Our examination disclosed no issues that are required to be reported under *Government Auditing Standards*.

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TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

March 25, 2015

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	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov



Washington State Auditor's Office Exit Conference

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Troy Kelley

Washington State Auditor

Deputy Director

Jan Jutte, CPA

(360) 725-0363

Jan.Jutte@sao.wa.gov

Deputy Director

Mark Rapozo

(360) 902-0471

Mark.Rapozo@sao.wa.gov

Audit Manager

Brandi Pritchard

(509) 662-0440

[Brandi.Pritchard](mailto:Brandi.Pritchard@sao.wa.gov)

@sao.wa.gov

Assistant Audit Manager

Stephanie Sullivan

(509) 662-0440

[Stephanie.Sullivan](mailto:Stephanie.Sullivan@sao.wa.gov)

@sao.wa.gov

Audit Lead

Eric Clark

(509) 662-0440

[Eric.Clark](mailto:Eric.Clark@sao.wa.gov)

@sao.wa.gov

www.sao.wa.gov

City of East Wenatchee

About our Office

The Washington State Auditor's Office's vision is government that works for citizens. Our goal is for government that works better, costs less and earns greater public trust.

The purpose of this meeting is to share our attestation results and draft reporting. We value and appreciate your participation.

Attestation Scope

We performed the following engagement for your City:

- **Attestation engagement for 2013.** We tested selected management assertions related to census data reported to the Department of Retirement Systems (DRS) by your City (see report handout).

Attestation Results

In relation to our report, we would like to bring to your attention:

- There were no issues significant enough to report as findings

Recommendations not included in the Attestation Reports

Exit Items

We have provided exit recommendations for management's consideration. Exit items address control deficiencies or non-compliance with laws or regulation that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the examination report.

Concluding Comments

Report Distribution

The examination report summarizing our results of our census data testing at your City will be provided to you, the Department of Retirement Systems and the Department's pension plans auditor.

Attestation Cost

As noted in the entrance conference, the cost of this engagement will be paid by the DRS.

Your Next Attestation

Due to implementation of GASB 68, the SAO will test census data annually. Not all governments participating in DRS retirement plans are selected for testing each year. If you are selected for census data testing, the SAO will notify you and attempt to schedule attestation work in conjunction with other onsite audit work.

If selected for census data testing, the cost for the related attestation will be paid by the DRS.