



State of Idaho  
DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082 - (208) 334-2190  
FAX (208) 334-2348

PHILIP E. BATT  
GOVERNOR

March 4, 1998

KARL J. DREHER  
DIRECTOR

MARK LIMBAUGH, WATERMASTER  
WATER DIST #65  
102 N MAIN  
PAYETTE ID 83661

Re: Audit of District Budget for 1998

Dear Mark:

After reviewing the approved budget for 1998, it appears that Water District No. 65 will spend more than two hundred fifty thousand dollars (\$250,000) during 1998. Its financial statement also shows more than one-half million dollars in assets.

Idaho Code § 67-450B states that a "governing body of a local governmental entity whose annual budget (from all sources) exceeds \$250,000 shall cause a full and complete audit of its financial statements to be made each fiscal year." I recommend that Water District No. 65 plan to conduct an audit of its financial records in 1998 and any years where its expenditures or collections exceed \$250,000. A copy of Sec. 67-450B is enclosed for your convenience.

I would be happy to discuss this with you further if you would like.

Sincerely,

A handwritten signature in cursive script that reads "Gary Spackman".

Gary Spackman

GS:st

Encl. Copy of Code § 67-450B

**67-450B. Independent financial audits by governmental entities — Filing requirements.** — (1) The requirements set forth in this section are minimum audit requirements for all local government entities, and include, without limitation, all cities, counties, authorities and districts organized as separate legal and reporting entities under Idaho law, and include the councils, commissions and boards as appointed or elected and charged with fiscal management responsibilities of the local governmental entity.

Audits under these requirements are to be performed by independent auditors in accordance with generally accepted governmental auditing standards, as defined by the United States general accounting office. The auditor shall be employed on written contract.

The entity's governing body shall be required to include in its annual budget all necessary expenses for carrying out the provisions of this section.

The entity shall file two (2) copies of each completed audit report with the legislative council within ten (10) days after receiving the audit from the contracting independent auditor.

(2) The minimum requirements for any audit performed under the provisions of this section are:

(a) The governing body of a local governmental entity whose annual budget (from all sources) exceeds two hundred fifty thousand dollars (\$250,000) shall cause a full and complete audit of its financial statements to be made each fiscal year.

(b) The governing body of a local governmental entity whose annual budget (from all sources) exceeds one hundred thousand dollars (\$100,000), but does not exceed two hundred fifty thousand dollars (\$250,000) may elect to have its financial statements audited on a biennial basis and may continue biennial auditing cycles in subsequent years as long as the entity's budget does not exceed two hundred fifty thousand dollars (\$250,000) during either year of any biennial period. Biennial audits shall include an audit of each fiscal year since the previous audit.

(c) The governing body of a local governmental entity whose annual budget (from all sources) exceeds fifty thousand dollars (\$50,000), but does not exceed one hundred thousand dollars (\$100,000) may elect to have its financial statements reviewed and compiled on a biennial basis and may continue biennial review and compilation cycles in subsequent years as long as the entity's annual budget does not exceed one hundred thousand dollars (\$100,000) during either year of any biennial period. Biennial reports of review and compilation shall include a review and compilation of each fiscal year since the previous review and compilation report.

(d) The governing body of a local governmental entity whose annual budget (from all sources) does not exceed fifty thousand dollars (\$50,000) has no minimum audit requirements under this section.

(e) Federal audit requirements applicable because of receipt of federal assistance supersede the minimum audit requirements provided in this section. [I.C., § 67-450B, as added by 1993, ch. 387, § 1, p. 1417.]

Compiler's notes. Section 2 of S.L. 1993, ch. 387 is compiled as § 21-810. Sec. to sec. ref. This section is referred to in §§ 21-810, 31-1701, 31-3517, 31-4313, 33-

701, 33-2726, 39-6412, 40-409, 40-1317, 40-2109, 40-2405, 42-619, 42-715, 42-3115, 42-3209, 42-4416, 50-1010, 67-4909.

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