

Washington State Auditor's Office
Report on Financial Statements Audit

Southwest Clean Air Agency
Clark County

Audit Period
July 1, 2001 through June 30, 2003

Report No. 66345

Issue Date
April 9, 2004



Washington _____
State Auditor
_____ Brian Sonntag



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April 9, 2004

Board of Directors
Southwest Clean Air Agency
Vancouver, Washington

Report on Financial Statements

Please find attached our report on the Southwest Clean Air Agency's financial statements.

We are issuing this report now in order to provide information on the Agency's financial condition.

In addition to this work, we look at other areas of our audit clients' operations for compliance with state laws and regulations. The results of that review will be included in our regular audit report, which will be issued separately.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Clark County
July 1, 2001 through June 30, 2003**

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Independent Auditor's Report on Compliance and Internal Control over Financial Reporting in Accordance with Government Auditing Standards

**Southwest Clean Air Agency
Clark County
July 1, 2001 through June 30, 2003**

Board of Directors
Southwest Clean Air Agency
Vancouver, Washington

We have audited the financial statements of the Southwest Clean Air Agency, Clark County, Washington, as of and for the years ended June 30, 2003 and 2002, and have issued our report thereon dated March 2, 2004. We conducted our audit in accordance with governmental auditing standards generally accepted in the United States of America, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatements, we performed tests of the Agency's compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our responsibility is to examine, on a test basis, evidence about the Agency's compliance with those requirements and to make a reasonable effort to identify any instances of misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the Agency and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with these provisions. Accordingly, we do not express such an opinion.

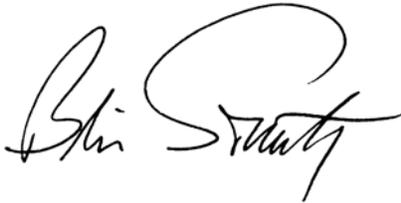
The results of our tests disclosed no instances of material noncompliance that are required to be reported herein under *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management and the Board of Directors. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and the last name "Sonntag" clearly distinguishable.

BRIAN SONNTAG, CGFM
STATE AUDITOR

March 2, 2004

Independent Auditors Report on Financial Statements

Southwest Clean Air Agency Clark County July 1, 2001 through June 30, 2003

Board of Directors
Southwest Clean Air Agency
Vancouver, Washington

We have audited the accompanying financial statements of the Southwest Clean Air Agency, Clark County, Washington, for the years ended June 30, 2003 and 2002. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with governmental auditing standards generally accepted in the United States of America, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

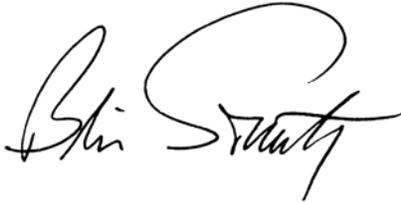
As described in Note 1 to the financial statements, the Agency prepares its financial statements on the basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Southwest Clean Air Agency, for the years ended June 30, 2003 and 2002, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards* in the United States of America, we will issue our report on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of State Financial Assistance are presented for purposes of additional analysis. These supplemental schedules are a required part of the financial statements. Such supplemental information has been subjected to the auditing procedures applied in the audit of the

financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with a large, prominent "S" at the end.

BRIAN SONNTAG, CGFM
STATE AUDITOR

March 2, 2004

Financial Statements

**Southwest Clean Air Agency
Clark County
July 1, 2001 through June 30, 2003**

FINANCIAL STATEMENTS

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