



SOUTH FEATHER WATER & POWER

TO: Board of Directors

FROM: Michael Glaze, General Manager

DATE: August 17, 2005

RE: Independent Auditor's Report
Agenda Item for 8/23/05 Board of Directors Meeting

Enclosed is the separately bound 2004 Independent Auditor's Report prepared by Davis Hammon & Company (their second report in a 3-year contract). The report has been reviewed by the Board's Finance Committee (Directors Hunter and Cecchi) and is submitted to the Board with its approval. Please bring the document to the Board meeting to facilitate explanation and discussion.

Steve Norman of Davis Hammon & Company will be present at the Board meeting to summarize his firm's report and, as he has done in previous years, provide information regarding the overall financial status of the Agency, as well as answer questions you or members of the public may have.

When your questions have been answered satisfactorily, it would be in order for the Board to take the following action:

"I move acceptance of the 2004 Independent Auditor's Report and Financial Statements for the Year Ended December 31, 2004, prepared by Davis Hammon and Company."