

# THE NEWPORT MINER

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## Cusick audit damning

Payroll, bank statements, documents supporting spending not retained

BY DON GRONNING  
OF THE MINER

CUSICK – The Town of Cusick failed in a number of areas that Washington state auditors examined in an audit of the town's records for 2015-2017.

The town did not keep all key financial documents, such as bank statements, employee payroll records and support documents for disbursements.

Because of staff turnover during the audit period, the town was unable to find records from storage, the audit said. Former clerk treasurer Charlotte Yergens

resigned in February 2018. Former Mayor Bob Spencer resigned mid term in December 2015. Spencer died in August 2017.

The result of not finding records was the town could not demonstrate the validity of financial activity during the audit period, Jan. 1, 2015 through Dec. 31, 2017.

Auditors examined 26 transactions totaling \$18,413 and found receipts or invoices were missing for 18 payments totaling \$13,595. Evidence of a review by the town council was missing from 11 payments and documentation to demonstrate payments were for a valid public purpose was missing from 14 payments. Those 14 payments

SEE CUSICK, 2A



MINER PHOTO/DON GRONNING

## Happy anniversary, Farmers Market

This youngster pays Josh Ahmann of Diamond Lake for some organic produce Saturday, Sept. 7, at the 40th Anniversary of the Newport Farmers Market Saturday, Sept. 7. The market had 35 different booths for its anniversary celebration. Market manager Michele Mausen said there was about a 50-50 mix of local and out of town people attending the market. The market is every Saturday, from 9 a.m. to 1 p.m., through the end of October.

## Ironman athlete shares battle with anorexia

BY SOPHIA ALDOUS  
OF THE MINER

CUSICK – On the outside, during her high school career, Makenzee Biss, 20, was a model student.

An all-star athlete, participating in basketball, softball, volleyball, the 2017 Newport High School graduate was also taking Running Start classes through Spokane Community College's Newport Center to complete her Associate of Arts degree.

Petite and conventionally pretty with long hair and blue/grey eyes, Biss's exterior belied a secret that almost killed her.

She was struggling with anorexia.

"I've always had a problem with my body image and comparing myself to other women," Biss says. "For a lot of people, myself included, sometimes the eating disorder is a symptom of another form of mental health, like depression and anxiety."

According to the National Eating Disorders Association (NEDA), anorexia nervosa is an eating disorder characterized by weight loss (or lack of appropriate weight gain in growing children); difficulties maintaining an appropriate body weight for height, age, and stature;

and, in many individuals, distorted body image.

Biss says around 14 years old, she began to sink deeper into her eating disorder, with her weight fluctuating dramatically.

"Way before I was even 14 I think there was a problem, it just got cemented with the hormones that come along with becoming a teenager," Biss explains. "I just felt like I looked different than other kids my age, more muscular, not what was considered attractive by beauty standards."

"People with anorexia generally restrict the number of calories and the types of food they eat," the NEDA website reads. "Some people with the disorder also exercise compulsively, purge via vomiting and laxatives, and/or binge eat."

The website goes on to detail that in the United States, 20 million women and 10 million men experience an eating disorder during their lives.

Eating disorders have the second highest mortality rate of all mental health disorders, surpassed only by opioid addiction.

Biss was able to hide the anorexia

SEE BISS, 12A

## Public school enrollment holds steady

BY DON GRONNING  
OF THE MINER

PRIEST RIVER – Three of the four local public school districts had their first day of class last week, including Selkirk, Cusick and West Bonner school districts. Newport

opened the last week of August. The House of the Lord Christian Academy, a private school, also opened last week.

The West Bonner County School District had an enrollment of 1,032, including 88 kindergarteners.

That's quite a few more kindergarteners than projected.

"We projected 62 and we will hire an additional teacher as well," district business manager and board clerk Jennifer Anselmo

SEE SCHOOLS, 2A

## Oldtown teen heading to International Burn Camp

WASHINGTON, DC – An Oldtown teen is on his way to meet with other teenagers from across the country that all have one thing in common: they are survivors of burn injuries. Dozens of teen burn survivors are headed to Washington, DC for a one-week camp experience hosted by the International Association of Firefighters Foundation (IAFF).

Brady O'Brien of Oldtown arrives in the nation's capital Saturday, Sept. 14 to attend the IAFF Interna-

tional Burn Camp, designed to allow teen burn survivors to enjoy a week of activity and fellowship among teens who have faced similar adversities. The camp is led by professional firefighter counselors who know the challenges these children face.

"No one understands the harrowing effects of a fire more than firefighters who are first on the scene treating injuries that can last

SEE O'BRIEN, 2A

### BRIEFLY

#### Governor Little orders flags at half-staff for fallen soldier

BOISE – Governor Brad Little has ordered all U.S. and state flags in Idaho to be flown at half-staff on Saturday, Sept. 14, in honor of U.S. Army Sergeant First Class Dustin B. Ard.

Ard, 31, of Idaho Falls, died Aug. 29, 2019, from wounds sustained during combat operations in Zabul Province, Afghanistan.

"I want to express my sincerest condolences to the family of Sgt. 1st Class Ard," Governor Little said.

"Ard leaves a legacy for all Idahoans of strength, service, and loyalty to this great nation. Please join me by honoring him on Sept. 14.

As you see flags at half-staff that day, take a moment to reflect on the great sacrifice Ard and his family have made in service to the United States of America."

#### Volunteers needed to prepare for fall train rides

NEWPORT – The first weekend of Scenic Pend

Oreille River Train (SPORT) rides is quickly approaching and volunteers are needed to help the Newport, Priest River Rotary Club clean up the train cars to get ready for passengers.

There will be cleaning parties on Friday, Sept. 13 and Saturday, Sept 14, starting at 9 a.m. both days.

Anyone interested in helping is welcome. Meet at the train loading area off Pine St. in Newport. Wear clothes suitable for cleaning.

For more information, call Nadine Parker at 208-597-5478.



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HELPFUL TIPS ABOUT YOUR VEHICLE BEFORE THE SNOW FLIES CAR CAR OUT NEXT WEEK

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We welcome letters to the editor. Letters should be typed and submitted to The Miner and Gem State Miner office no later than 5 p.m. Friday for publication the following Wednesday. No letter will be published unless it is signed by at least one individual, even if the letter represents the view of a group. The letter must include a telephone number and address for confirmation of authenticity. Letters should be no longer than 300 words. The Miner reserves the right to edit to conform to our publication style, policy and libel laws. Political letters will not be published the last issue prior an election. Letters will be printed as space allows.

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## Cusick mayor under fire

Public asks  
about auditBY DON GRONNING  
OF THE MINER

CUSICK – Cusick Mayor Chris Evers got an earful at Monday night's town council meeting when people from Usk blasted her for the ongoing water problems. For about an hour during the public comment part of the meeting people questioned how the problems could go on so long and why Usk pays more than Cusick for water.

"What happened to that money?" a woman asked referring to the surcharge Usk water users pay for water. Usk water costs about \$20 a month more than Cusick residents pay.

Evers said the money went to operating costs.

People had copies of an audit of 2015-17 by the state that was released Aug. 26. That audit found that the town did not comply with state laws, regulations or its own policies. The town did not provide adequate control

to safeguard public money, auditors found. (See related story)

"I want you to respond to the audit," one man in the audience said.

Evers said her response was included in the audit report. Evers said she asked if auditors were concerned about fraud. They told her no, she said. Evers said auditors said that Cusick had responded faster than other towns of similar size. Cusick has about 200 residents. Evers said she asked if the auditors wanted to audit again next year. Most audits are done every three years. Auditors told her a two-year audit was acceptable. Evers outlined a number of steps the town was taking to correct things in the accountability report. The audit mentioned a lack of record retention, including payroll. In her response, Evers said she has contacted county auditor Marianne Nichols and is working on a memorandum of understanding to have payroll run through her office, rather than in house. The town now has a double

backup system for their records including a nightly backup to an off-site cloud. Cusick has implemented a chain of custody for revenues received. Evers has the sole key to the payment box, which includes utility and boat launch payments. When opened, at least two people, Evers and a councilmember or staff member, would count the money and sign for it.

The people at Monday night's meeting were not satisfied. The water bills still are not arriving. One woman was nearly in tears about the situation. She said she wasn't going through her books yet one more time to show she had paid. People speaking during the public comment part of the meeting said it was unfair for Usk to pay more for water. They wanted Usk to have a representative on the Cusick Council.

Evers said that council members had to live within Cusick city limits, but asked the council if they had a problem with having a non-council member representative

from Usk on the board. The council had no objection. Evers said she would talk with town attorney Laura McAloon about it. Evers was personally blamed for the foul up. "You make all the decisions," one woman said. Evers became mayor in 2015 when former mayor Bob Spencer abruptly resigned. Evers was mayor pro-tem at the time. She ran for mayor and lost to

Ken Murray, who died before taking office. She was then reappointed in January 2018. Town Clerk treasurer Charlotte Yergens resigned her position in February 2018. She was replaced by Jennifer Lee, who was fired in June 2019 after being arrested for possession of meth. Evers said Cathy Charko is working on reconciling the town's books.

## O'BRIEN:

FROM PAGE 1A

a lifetime," IAFF Press secretary Timothy Burn says. "Children are the ones rescued and often left facing a future of physical and emotional challenges."

Campers are assigned to a firefighter, who donates their time to the camp, to serve as a friend and mentor throughout the week of fellowship.

"Each camper has a story and each firefighter counselor has volunteered their time, professional experience and compassion to make sure their camper's story has a happy ending," Burn says.

The International Association of Fire Fighters is a labor union representing paid full-time firefighters and emergency medical services personnel in the United States and Canada. For more information about IAFF, go to www.client.prod.iaff.org.

The Miner was unable to interview O'Brien before deadline. Look for the complete story in next week's Miner Newspapers.

## SCHOOLS: Administrators try not to over project enrollment

FROM PAGE 1A

said. Newport also had to hire another kindergarten teacher.

Public school administrators generally try to not over-project enrollment. The districts are paid from the state based on the number of students attending school. It is easier to hire another teacher if needed than not have enough money if atten-

dance is over-projected.

The West Bonner school district will have a number of new teachers this year, as well as returning teachers.

The Cusick School District had an enrollment of about 218 students, according to district superintendent Don Hawpe.

"We have 16 kindergarten students, which is about what we projected," Hawpe said.

"We got off to a great start and our staff is excited about what the year has in store for us with our great bunch of students."

At the Selkirk School District, superintendent Nancy Lotze said the early enrollment numbers are just one under what the district ended with last spring, despite the Pend Oreille Mine closing and going into care and maintenance.

The district had 268 enrolled, including 23 kindergarteners.

Lotze said the last time the mine went into care and maintenance, it took about a year and a half to feel the loss in enrollment.

"I suspect the impact of the mine closure will be felt over the next year," Lotze said.

Enrollment at the House of the Lord Christian Academy, one of the

area's private schools, is up about 10 percent, school administrator Candy Craddick said. House of the Lord has 160 students in preschool through 12th grade.

There are 28 preschoolers and 11 kindergarteners, Craddick said.

"We expect 10-14 kindergarteners each year," Craddick says. "The most we'll take is 14."

## CUSICK: Mayor, clerk unaware contract with tribe expired

FROM PAGE 1A

totaled \$7,520.

"Two of these transactions were made with the Town's debit card and were not allowable," the according to the audit. "One transaction was a personal purchase made by an employee that was subsequently repaid to the Town. We also identified an ATM cash withdrawal that was made by an employee who purchased equipment and supplies for the Town but did not provide receipts to support the use of the cash withdrawn. These transactions do not comply with state laws regarding use of credit cards for local government."

Auditors also found that Cusick did not have adequate controls over cash receipting for money it collects for utilities and boat launch fees.

Cusick lacked a cash receipting policy, including when money would be deposited in a bank. State law requires they be deposited daily.

Some money was used to replenish petty cash, which was wrong, according to the audit. The town did not have procedures to ensure bank statements are reconciled in a timely manner, auditors found.

"The Town has not reconciled its general ledger to the bank statements since 2014, except one monthly reconciliation in December 2017," the audit read.

Auditors also found that the most recent contract with the Kalispel Tribe for water services expired in 2016.

"The Town has allowed the Tribe to have unmetered water service to the new casino without a written contract or agreement in place to ensure approved water rates were being charged," according to the audit. "The Town had not completed a monthly billing for the unmetered connection from October 2018 until April 2019. The Town has been working on determining an estimate for the

water usage and then plans to bill the Tribe the base water rate and the estimated amount of usage for the period of unmetered connection. Cusick didn't install a water meter for the new casino because it did not have permission to install it on tribal land at the time of connections. The town intends to install a master meter to bill the tribe for all their water usage in one bill, and it determined installing a separate meter would not be cost effective."

According to the audit, Evers and the clerk-treasurer were unaware the agreement with the tribe had expired. The audit found that the tribe had a total outstanding balance of \$4,665 with the town for bulk and unmetered water service.

Auditors made a number of recommendations about the town's internal controls, including:

Establishing effective internal controls over financial operations

Adopt written policies for disbursements that address topics such as lost receipts and employee travel and reimbursements

Adequately monitor payments to ensure they serve a valid purpose

Keep supporting documentations for the required records retention period

Ensure all disbursements have evidence of review by the town council

Safeguard the town's assets by eliminating debit card cash withdrawals and reviewing transactions in a timely manner

Amend the town credit card policies to comply with state law

In her response, Evers said the town no longer has a credit card and transactions are run through the mayor. The town is working on a memorandum of understanding with Pend Oreille County Auditor Marianne Nichols to have payroll run through her office.

person responsible for financial oversight, in addition to full review by the council at regular council meetings, Evers said. The town is also working with the town attorney to update all town policies. The town now has a double backup system for computer records, one on the hard drive of the computer and a second nightly backup to the cloud.

Auditors responded that they appreciate the town's commitment to resolving the issues noted and that auditors would follow up during the next audit.

Auditors also had a number of recommendations about cash receipting, including:

Establishing and following policies and procedures over financial operations

Using pre-numbered receipts to track if the Town is receiving all the funds it is due

Establishing and following general cash receipting policies and procedures

Documenting methods of payment for local funds receipted and retaining documentation to support revenues

Ensuring funds received are properly receipted and recorded in the general ledger

Retaining adequate supporting documentation of a month reconciliation to its bank accounts to ensure financial activity is accurately recorded in the general ledger

Increasing the monitoring of financial operations by the Town Council to include review of bank reconciliations by someone other than the preparer

Auditors also recommended the town improve controls over contracts by:

Establishing current written contracts or agreements with the Kalispel Tribe for water services in its established locations

Establish a written contract or agreement with the tribe for temporary unmetered water connections to prevent gifting of public funds.

The town responded that

it has started a chain of custody for revenue received. The mayor has the only key and two people have to be present when the boxes are opened and money counted and both have to count the money and sign for it. When data loss restoration is complete, the town will do a full bank reconciliation and will reconcile accounts monthly.

Evers also said that the council is in the process of updating water rates. The town is creating new rates and tiers for commercial, purveyor and hydrant use. The town had hoped to have it done at the August meeting, but that didn't happen.

According to state Auditor spokesperson Kathleen Cooper, letting the public know about problems is the main way findings are enforced. In grievous situations, the state Attorney General and the county prosecutor are informed.

In a separate management letter, auditors pointed out concerns about the town's negative operating margin, a decreasing General Fund cash position and a large debt load. The town went from a 10.8 percent operating margin in 2015 to a negative 9.3 percent operating margin for 2016.

"The low and negative operating margins indicate the Town expenditures and debt service are exceeding revenues," the management letter read. "At the end of our audit, the Town had not implemented a plan to increase operating revenues or decreasing operating expenditures."

Auditors also found that Cusick was late adopting a provisional 2019 budget. It was passed Dec. 27, but state law required that it be passed by Dec. 3 at the latest.

In the town response to the management letter, Evers said a CPA has been brought in to amend the 2019 budget. She said the proposed 2020 budget will be done in September/October of 2019.