

**Washington State Auditor's Office**  
**Accountability Audit Report**

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**North Beach Water District**  
**Pacific County**

Report Date  
**April 22, 2013**

**Report No. 1009882**

Issue Date  
**June 3, 2013**



WASHINGTON  
**TROY KELLEY**  
STATE AUDITOR



**Washington State Auditor  
Troy Kelley**

June 3, 2013

Board of Commissioners  
North Beach Water District  
Ocean Park, Washington

***Report on Accountability***

We appreciate the opportunity to work in cooperation with your District to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role to advocate for government accountability and transparency and to promote positive change.

Please find attached our report on the North Beach Water District's accountability and compliance with state laws and regulations and its own policies and procedures. Thank you for working with us to ensure the efficient and effective use of public resources.

Sincerely,

**TROY KELLEY**  
STATE AUDITOR

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Pacific County  
April 22, 2013

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## **ABOUT THE STATE AUDITOR'S OFFICE**

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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.

Our mission is to work with our audit clients and citizens as an advocate for government accountability. 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.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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 and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

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**Local Government Liaison**  
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## **AUDIT HISTORY**

We audit the District every other year. In the 2005-2006 audit, the District received a finding for its noncompliance of prevailing wage requirements. This finding has been resolved. The District has been free of accountability findings since 2007.

# Audit Summary

North Beach Water District  
Pacific County  
April 22, 2013

## ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of the North Beach Water District from January 1, 2011 through December 31, 2012.

We evaluated internal controls and performed audit procedures on the activities of the District. We also determined whether the District complied with state laws and regulations and its own policies and procedures.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. The following areas were examined during this audit period:

- Open public meetings
- Controls over utility billing and cash receipting
- Gifting of public funds
- Small and attractive assets
- Payroll

## ***RESULTS***

In most areas, the District complied with state laws and regulations and its own policies and procedures.

However, we noted certain matters that we communicated to District management. We appreciate the District's commitment to resolving those matters.



## **Description of the District**

### **North Beach Water District Pacific County April 22, 2013**

#### ***ABOUT THE DISTRICT***

The North Beach Public Development Authority was formed in October 2004 by the authority of Pacific County. The purpose of the Public Development Authority was to acquire two private water companies in the north beach area. The Public Development Authority acquired the two private water companies and began water operations during 2006. The Authority transferred ownership to the North Beach Water District as of January 1, 2009.

An elected, three-member Board of Commissioners governs the District. For the years under audit, the District had seven employees and an annual operating budget of approximately \$1.2 million.

#### ***ELECTED OFFICIALS***

These officials served during the audit period:

Board of Commissioners:

Brian Sheldon  
Gwen Brake  
R.D. Williams

#### ***APPOINTED OFFICIALS***

General Manager

Bill Neal

#### ***DISTRICT CONTACT INFORMATION***

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Website: [www.northbeachwater.com](http://www.northbeachwater.com)