

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

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**Shoreline Water District**  
**King County**

Report Date  
**February 5, 2014**

**Report No. 1011263**

Issue Date  
**February 10, 2014**



WASHINGTON  
**TROY KELLEY**  
STATE AUDITOR



**Washington State Auditor  
Troy Kelley**

February 10, 2014

Board of Commissioners  
Shoreline Water District  
Shoreline, 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 Shoreline 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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King County  
February 5, 2014**

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# Audit Summary

## Shoreline Water District King County February 5, 2014

### ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of the Shoreline 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:

- Financial condition
- Utility billing rate changes
- Public works procurement
- General disbursements

### ***RESULTS***

In the areas we examined, the District's internal controls were adequate to safeguard public assets. The District also complied with state laws and regulations and its own policies and procedures in the areas we examined.

## Related Reports

**Shoreline Water District  
King County  
February 5, 2014**

### ***FINANCIAL***

Our opinion on the District's financial statements is provided in a separate report, which includes the District's financial statements.

# Description of the District

## Shoreline Water District King County February 5, 2014

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

The Shoreline Water District is located in the northern part of King County and has approximately 8,200 connections from the Snohomish County line to the city of Seattle and from approximately Interstate 5 east to Lake Washington. The District maintains 92 miles of mains, two reservoirs, 700 hydrants, three supply stations, two booster stations and one pump station.

An elected, three-member Board of Commissioners governs the District. The Board appoints a District Manager to oversee the District's daily operations as well as its 13 employees. The District derives most of its operating revenue from the sale of water. Other nonoperating revenue includes administrative fees and charges. For fiscal years 2011 and 2012, the District operated on an annual budget of approximately \$4.6 million and \$5.3 million, respectively.

### ***ELECTED OFFICIALS***

These officials served during the audit period:

Board of Commissioners:	Charlotte Haines Ron Ricker Larry Schoonmaker
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### ***APPOINTED OFFICIALS***

General Manager	Stu Turner, PE (through December 2011) Diane Pottinger, PE (beginning December 2011)
Finance Manager	Mary O'Day (through October 2012) Barb Shosten (beginning December 2012)
Operations Manager	Dennis Clouse

## ***DISTRICT CONTACT INFORMATION***

Address: Shoreline Water District  
P.O. Box 55367  
Shoreline, WA 98155

Phone: 206-366-1840

Website: [www.shorelinewater.org](http://www.shorelinewater.org)

## ***AUDIT HISTORY***

In the past, we audited the District annually for accountability; however, we switched to a two-year accountability audit cycle beginning with this audit period. We reported no accountability findings for the past five audits.



## **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.

We 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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