



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Accountability Audit Report

Grays Harbor Historical Seaport Authority

Grays Harbor County

For the period January 1, 2012 through December 31, 2013

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Washington State Auditor Troy Kelley

November 10, 2014

Board of Directors
Grays Harbor Historical Seaport Authority
Aberdeen, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Authority operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the Authority's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

TROY KELLEY
STATE AUDITOR

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AUDIT SUMMARY

Results in brief

In the areas we audited, Authority operations complied with applicable requirements and provided adequate safeguarding of public resources. The Authority also complied with state laws and regulations and its own policies and procedures in the areas we examined.

About the audit

This report contains the results of our independent accountability audit of the Grays Harbor Historical Seaport Authority from January 1, 2012 through December 31, 2013.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the Authority's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

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 fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Open public meetings
- General revenue and expenditures
- Key system controls
- Financial condition
- Gifting of public funds
- Small and attractive assets
- Fuel purchases

INFORMATION ABOUT THE AUTHORITY

The Grays Harbor Historical Seaport Authority was created as a public corporation by the city of Aberdeen under the provisions of state law (RCW 35.21.730-755) on October 20, 1986. The Authority began operations in 1987 with the purpose of building and operating a full-scale reproduction of the brig Lady Washington and the Hawaiian Chieftain. In addition, the Authority's goal was to build and operate a maritime museum to promote tourism and economic development in the Grays Harbor area and to provide educational programs for schools and communities.

The Authority provides a range of services including Lady Washington and Hawaiian Chieftain passages, tours and charters, student educational training programs, longboat programs and merchandise sales. An appointed, nine-member Board of Directors administers the Authority. The Mayor of Aberdeen appoints Board Members based on current Board input. The Authority has a full-time Executive Director, Accountant and Spar Shop employee, three part-time office employees and a small ship crew of volunteer and paid employees.

The Authority operated on an annual budget of approximately \$1.15 million in 2012 and \$1.11 million in 2013. Current funding is provided primarily from ship tours, sails and education programs. Before the launch of the Lady Washington, a funding shortfall necessitated a loan from the city of Aberdeen, which has since been paid in full.

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Information current as of report publish date.

Audit history

You can find current and past audit reports for the Grays Harbor Historical Seaport Authority at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

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 to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

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

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