



**Washington State Auditor's Office**

Government that works for citizens

## **Accountability Audit Report**

# **Grays Harbor Historical Seaport Authority**

**Grays Harbor County**

**For the period January 1, 2014 through December 31, 2015**

**Published September 8, 2016**

**Report No. 1017205**





## Washington State Auditor's Office

September 8, 2016

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,

A handwritten signature in black ink that reads "Troy X. Kelley". The signature is written in a cursive style.

TROY KELLEY  
STATE AUDITOR  
OLYMPIA, WA

## TABLE OF CONTENTS

Audit Summary .....	4
Information About The Authority.....	5
About The State Auditor’s Office.....	6

## AUDIT SUMMARY

### Results in brief

In most 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.

However, we noted certain matters that we communicated to management in a letter dated July 22, 2016, related to controls over small and attractive assets and the Authority's financial health. We appreciate the Authority's commitment to resolving those matters.

### About the audit

This report contains the results of our independent accountability audit of the Grays Harbor Historical Seaport Authority from January 1, 2014 through December 31, 2015.

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:

- Financial condition
- Procurement – public works
- Credit cards
- Donations
- Cash receipting
- Payroll
- General disbursements
- Open public meetings

## 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, twelve-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, Site Manager, Marine Operations Manager and Director of Science Education, two part-time office employees and a small ship crew of volunteer and paid employees. The Authority operated on an annual budget of approximately \$1.6 million in 2015. Current funding is provided primarily from ship tours, sails and education programs.

<b>Contact information related to this report</b>	
Address:	Grays Harbor Historical Seaport Authority P.O. Box 2019 Aberdeen, WA 98520
Contact:	Brandi Bednarik, Executive Director
Telephone:	(800) 200-5239
Website:	<a href="http://www.historicalseaport.org">www.historicalseaport.org</a>

*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.

Contact information for the State Auditor's Office	
Public Records requests	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>