

Washington State Auditor's Office
Accountability Audit Report

North Perry Avenue WaterDistrict
Kitsap County

Report Date
June 4, 2014

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June 9, 2014



Washington State Auditor
Troy Kelley

Independence • Respect • Integrity



Washington State Auditor Troy Kelley

June 9, 2014

Board of Commissioners
North Perry Avenue Water District
Bremerton, 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 Perry Avenue 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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Kitsap County
June 4, 2014**

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Audit Summary

North Perry Avenue Water District Kitsap County June 4, 2014

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the North Perry Avenue Water District from January 1, 2012 through December 31, 2013.

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:

- Utility billings/receipts
- Financial condition
- Third party cash receipting
- Procurement/bid compliance

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

**North Perry Avenue Water District
Kitsap County
June 4, 2014**

FINANCIAL

Our opinion on the District's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the District's financial statements.

FEDERAL GRANT PROGRAMS

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the District's major federal program, which is listed in the Federal Summary section of the financial statement and single audit report.

Description of the District

North Perry Avenue Water District Kitsap County June 4, 2014

ABOUT THE DISTRICT

The North Perry Avenue Water District was created in 1942 and serves approximately 7,700 metered connections. The District has approximately 100 miles of water mains, 14 active wells and seven storage reservoirs. The service area extends from the Bremerton city limits in the south to Keyport in the north. The present boundaries are defined by agreements with the city of Bremerton, Silverdale Water District, Kitsap County Public Utility District No. 1 and Aquarius Water District. The District provides water service and meter installations. In addition, the District charges each customer for street lighting provided by Puget Sound Energy.

An elected, three-member Board of Commissioners governs the District. The Board has appointed a General Manager to oversee the District's day-to-day operations. The District has 15 employees and had operating expenses of approximately \$2.8 million and \$2.9 million in fiscal years 2012 and 2013, respectively.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Ray Foley
Stephanie Marone
Gary Purbaugh

DISTRICT CONTACT INFORMATION

Address: North Perry Avenue Water District
P.O. Box 2183
Bremerton, WA 98310

Phone: 360-373-9508

Website: www.northperrywd.org

AUDIT HISTORY

We audit the District every two years. The District has been free of audit findings for the last 13 audits.



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 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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