

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

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**City of Black Diamond**  
**King County**

Report Date  
**December 21, 2007**

Report No. **74007**

Issue Date  
**March 10, 2008**



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR

COMMUNITY DEVELOP.

MAR 13 2008

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**Washington State Auditor  
Brian Sonntag**

March 10, 2008

Mayor and City Council  
City of Black Diamond  
Black Diamond, Washington

***Report on Accountability***

Please find attached our report on the City of Black Diamond's accountability and compliance with state laws and regulations and its own policies and procedures.

In addition to this work, we also audit the City's financial statements. The results of that audit will be included in a separately issued audit report.

Sincerely,

**BRIAN SONNTAG, CGFM  
STATE AUDITOR**

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King County  
December 21, 2007

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# **Audit Summary**

**City of Black Diamond  
King County  
December 21, 2007**

## ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of the City of Black Diamond.

We performed audit procedures to determine whether the City complied with state laws and regulations and its own policies and procedures. We also examined City management's accountability for public resources. Our work focused on specific areas that have potential for abuse and misuse of public resources.

Areas examined during the audit were selected using financial transactions from January 1, 2005, through December 31, 2006.

## ***RESULTS***

The City complied with state laws and regulations and its own policies and procedures in the areas we examined. Internal controls were adequate to safeguard public assets.

## ***RELATED REPORTS***

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

## ***CLOSING REMARKS***

We thank City officials and personnel for their assistance and cooperation during the audit.

# **Description of the City**

**City of Black Diamond  
King County  
December 21, 2007**

## **ABOUT THE CITY**

The City of Black Diamond incorporated in 1959 and is classified as a non-charter code city. The City operates under the mayor-council form of government, with five elected Council Members and an independently elected Mayor. There are approximately 4,000 residents served. The City budgeted \$11.8 million and \$12.9 million in expenditures for 2005 and 2006, respectively. Approximately 42 people are employed and provide police, fire, water, sewer, public works, cemetery and municipal court services.

## **AUDIT HISTORY**

The City is audited every two years. We have reported no findings since the 1995-1996 audit period.

## **ELECTED OFFICIALS**

These officials served during the audit period:

Mayor  
City Council:

Howard Botts  
Geoff Bowie  
Mike Cline  
George McPherson  
Mario Sorci  
Andy Williamson  
Rebecca Olness

## **APPOINTED OFFICIALS**

City Administrator  
Finance Director  
Police Chief

Jason Paulsen (through September 2006)  
Rick Luther (Interim effective October 2006)  
Cristine Kandior (through September 2006)  
May Miller (Interim effective October 2006)  
Rick Luther

## **ADDRESS**

City

25510 Lawson Street  
Black Diamond, WA 98010  
(360) 886-2560

# Audit Areas Examined

City of Black Diamond  
King County  
December 21, 2007

In keeping with general auditing practices, we do not examine every portion of the City of Black Diamond's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the City were examined during this audit period:

## **ACCOUNTABILITY**

We evaluated the City's accountability in the following areas:

- Contracts/agreements
- Open public meetings/records laws
- Procurement (bidding/prevaling wage)
- Budget compliance
- Payroll/personnel
- Conflict of interest/ethics laws
- Courts – financial operations
- Restricted funds

## **FINANCIAL AREAS**

Our opinion on the City's financial statements is provided in a separate report. That report includes the City's financial statements and other required financial information. We examined the financial activity and balances of the City including:

- Cash and investments
- Revenues
- Expenditures/expenses
- Long-term debt
- Overall presentation of the financial statements