

Washington State Auditor's Office
Accountability Audit Report

Klickitat County Port District No. 1
(Port of Klickitat)

Report Date
January 8, 2008

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June 9, 2008



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

June 9, 2008

Board of Commissioners
Port of Klickitat
Bingen, Washington

Report on Accountability

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

In addition to this work, we also audit the Port'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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Klickitat County
January 8, 2008**

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Audit Summary

**Port of Klickitat
Klickitat County
January 8, 2008**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Port of Klickitat.

We performed audit procedures to determine whether the Port complied with state laws and regulations and its own policies and procedures. We also examined Port 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, 2004, through December 31, 2006.

RESULTS

The Port 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 Port's financial statements is provided in a separate report, which includes the Port's financial statements.

CLOSING REMARKS

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

Description of the Port

Port of Klickitat Klickitat County January 8, 2008

ABOUT THE PORT

Klickitat County Port District No. 1 was formed in 1945. The District's mission is to create long-term economic opportunities for local residents by encouraging the creation of diverse, stable employment, public and private capital investment, citizen involvement and inter-agency coordination to encourage business recruitment, recreational development and quality of life.

The District owns approximately 660 acres of property at Dallesport on the Columbia River. The acreage consists of an industrial park, an aggregate mining operation and a barge dock. Revenues at this site are generated from land/building leases, wharfage, tour boat docking and the sale of water. Additionally, the District owns approximately 104 acres of property in Bingen on the Columbia River. The acreage houses three light industrial buildings, a small marina area park, a sailboard park, a boat launch and proposed marina as well as Bingen Lake and its surrounding wetlands. Revenues at this site are generated from land/building leases.

The District is governed by a three-member Board of Directors, with members serving staggered, six-year terms. The District has four full-time employees and an annual operating budget in 2006 of approximately \$1,472,000.

AUDIT HISTORY

We audit the Port every three years. The past five audits of the Port have not reported any findings.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:	Norman Deo Rodger Ford S. Wayne Vinyard
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APPOINTED OFFICIALS

Executive Director	Dianne Sherwood (through June 2007) Marc Thornsby (effective November 2007)
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ADDRESS

Port	154 East Bingen Point Way No. A Bingen, WA 98605 (509) 493-1655 (509) 493-4257 (fax)
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Audit Areas Examined

Port of Klickitat Klickitat County January 8, 2008

In keeping with general auditing practices, we do not examine every portion of the Port of Klickitat'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 Port were examined during this audit period:

ACCOUNTABILITY

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

- Competitive bidding requirements
- Conflict of interest
- Open Public Meetings Act
- General disbursements
- Travel expenses
- Payroll

FINANCIAL AREAS

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

- Cash and investments
- Revenues
- Expenses
- Schedule of Long-Term Debt
- Subsequent events
- Going concern
- Overall presentation of the financial statements



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.

Our mission is to work in cooperation 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 has 300 employees who are located around the state to deliver our services effectively and efficiently. Approximately 65 percent of our staff are certified public accountants or hold other certifications and advanced degrees.

Our regular 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. We also perform fraud and whistleblower investigations. In addition, we have the authority to conduct performance audits of state agencies and local governments.

The results of our audits are widely distributed through a variety of reports, which are available on our Web site. We continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive program to coordinate audit efficiency and to ensure high-quality audits.

State Auditor
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Toll-free hotline for government efficiency

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