

Washington State Auditor's Office
Accountability Audit Report

**Grays Harbor Public Development
Authority**
Grays Harbor County

Report Date
April 30, 2013

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WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

June 10, 2013

Board of Directors
Grays Harbor Public Development Authority
Elma, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your Authority 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 Grays Harbor Public Development Authority'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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Grays Harbor County
April 30, 2013**

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Audit Summary

Grays Harbor Public Development Authority Grays Harbor County April 30, 2013

ABOUT THE AUDIT

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

We evaluated internal controls and performed audit procedures on the activities of the Authority. We also determined whether the Authority 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:

- Open public meetings
- General revenue
- General expenditures
- Dissolution
- Financial condition
- Procurement – public works

RESULTS

In the areas we examined, the Authority's internal controls were adequate to safeguard public assets. The Authority also complied with state laws and regulations and its own policies and procedures in the areas we examined.

Related Reports

**Grays Harbor Public Development Authority
Grays Harbor County
April 30, 2013**

FINANCIAL

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

Description of the Authority

Grays Harbor Public Development Authority Grays Harbor County April 30, 2013

ABOUT THE AUTHORITY

In 1998 the Grays Harbor County Commissioners passed a resolution, charter and bylaws, which created the Grays Harbor Public Development Authority. The Authority began operations in July 1999. It is the successor organization to the Satsop Redevelopment Project (SRP), which was created by an inter-local agreement between the elected Commissioners of Grays Harbor County, the Port of Grays Harbor and the Grays Harbor Public Utility District (PUD). The SRP was organized to examine the economic potential of the site of the never completed Washington Public Power Supply System's (WPPSS) Satsop nuclear plant.

The Authority was organized to facilitate the redevelopment of the WPPSS site. In a series of transactions in 1999, the Authority gained title to the land, roads and other site improvements from the Bonneville Power Administration (BPA), which took over management of the property from WPPSS after the system's bond default. By the end of 1999, the BPA had paid a total of \$15 million in seed money to the Authority to help it develop the property as a business park.

A seven-member Board of Directors governs the Authority. The Grays Harbor County Commission, the Grays Harbor PUD and the Port of Grays Harbor each appoint one of their current Commissioners. Those three Commissioners select the remaining four members who are to be civic or business leaders with expertise in finance, real estate development and law or construction projects and must also reside in Grays Harbor County. The Grays Harbor County Commissioners have final approval over all appointments made to the Authority's Board.

The Authority's 13 employees operate on an average \$2.8 million annual budget that focuses on developing the site into a business park.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Directors:

Grays Harbor Commissioner
Port of Grays Harbor Commissioner
Grays Harbor PUD Commissioner

Mike Wilson
Jack Thompson
Tom Casey
Steve Poler
John Van Dijk
Shelli Hopsecger
Art Tanner

APPOINTED OFFICIALS

Chief Executive Officer

Tami Garrow

AUTHORITY CONTACT INFORMATION

Address: Grays Harbor Public Development Authority
150 Technology Lane, No. 100
Elma, WA 98541

Phone: (360) 482-1600

Website: www.satsop.com

AUDIT HISTORY

We typically audit the Authority every two years. The past five audits, as well as the current audit, were free of findings.



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 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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