

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

---

**Port of Centralia**  
**Lewis County**

Report Date  
**November 13, 2009**

**Report No. 1002701**

Issue Date  
**December 21, 2009**



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR



**Washington State Auditor  
Brian Sonntag**

December 21, 2009

Board of Commissioners  
Port of Centralia  
Centralia, Washington

***Report on Accountability***

We appreciate the opportunity to work in cooperation with your Port 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 Port of Centralia'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,

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

# Table of Contents

Port of Centralia  
Lewis County  
November 13, 2009

Audit Summary .....	1
Related Reports .....	2
Description of the Port.....	3

# **Audit Summary**

**Port of Centralia  
Lewis County  
November 13, 2009**

## ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of the Port of Centralia for January 1, 2007, through December 31, 2008.

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

- Open Public Meetings Act
- Property rental revenue

## ***RESULTS***

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

## **Related Reports**

**Port of Centralia  
Lewis County  
November 13, 2009**

### ***FINANCIAL***

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

### ***OTHER REPORTS***

In addition, the State Auditor's Office issued a Citizen Hotline Report in June 2009 that contains the results of an investigation regarding concerns including noncompliance with the Open Public Meetings Act and public records requests, inadequate or inaccurate disclosures of Port activities, possible illegal permitting practices, gifts of public resources, noncompliance with procurement requirements and inappropriate use of grant funds.

## **Description of the Port**

**Port of Centralia  
Lewis County  
November 13, 2009**

### ***ABOUT THE PORT***

The Port of Centralia was created in 1986 by a public vote of the residents within the Port boundaries in Lewis County. The Port's main purpose is to generate jobs and economic development diversification by acquiring and improving lands for industrial or commercial purposes.

An elected, three-member Board of Commissioners governs the Port. The Board is the primary policy-making body, exercising budgetary and financial control. Two employees manage the Port's daily operations. For the years under audit, the Port had annual operating budgets of approximately \$3 million.

### ***ELECTED OFFICIALS***

These officials served during the audit period:

Board of Commissioners:

President

Vice President

Secretary-Treasurer

Gene Groshong

Art Lehman

Don Meek

### ***APPOINTED OFFICIALS***

Executive Director

Kyle Heaton

### ***PORT CONTACT INFORMATION***

Address: Port of Centralia  
3508 Galvin Road  
Centralia, WA 98531

Phone: (360) 736-3527

Web site: [www.portofcentralia.com](http://www.portofcentralia.com)

## ***AUDIT HISTORY***

We audit the Port every two years. The past five audits have reported no findings. Port management is committed to strong internal controls and compliance with state laws and regulations.



## **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 employees are located around the state to deliver our 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 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 quality assurance program.

**State Auditor**  
**Chief of Staff**  
**Deputy Chief of Staff**  
**Chief Policy Advisor**  
**Director of Audit**  
**Director of Special Investigations**  
**Director for Legal Affairs**  
**Director of Quality Assurance**  
**Local Government Liaison**  
**Communications Director**  
**Public Records Officer**  
**Main number**  
**Toll-free Citizen Hotline**

**Brian Sonntag, CGFM**  
**Ted Rutt**  
**Doug Cochran**  
**Jerry Pugnetti**  
**Chuck Pfeil, CPA**  
**Jim Brittain, CPA**  
**Jan Jutte, CPA, CGFM**  
**Ivan Dansereau**  
**Mike Murphy**  
**Mindy Chambers**  
**Mary Leider**  
**(360) 902-0370**  
**(866) 902-3900**

**Web Site**  
**Subscription Service**

[www.sao.wa.gov](http://www.sao.wa.gov)  
<https://www.sao.wa.gov/EN/News/Subscriptions/>