

Washington State Auditor's Office
Accountability Audit Report

**Bellingham Public Development
Authority
Whatcom County**

Report Date
November 13, 2012

Report No. 1008677

Issue Date
December 10, 2012



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

December 10, 2012

Board of Directors
Bellingham Public Development Authority
Bellingham, 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 Bellingham 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,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Whatcom County
November 13, 2012**

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Audit Summary

**Bellingham Public Development Authority
Whatcom County
November 13, 2012**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Bellingham Public Development Authority from May 8, 2008 through December 31, 2011.

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:

- Contracts and agreements
- Purchasing card
- Open Public Meetings Act

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.

Description of the Authority

Bellingham Public Development Authority Whatcom County November 13, 2012

ABOUT THE AUTHORITY

The Bellingham Public Development Authority was created May 8, 2008, by the city of Bellingham for the purpose of developing properties together with private property owners and investors, focusing operations on Bellingham's Waterfront, Old Town and downtown districts. The initial, vacant or under-utilized properties placed under the purview of the Authority are either city-owned and managed by the Authority or were city-owned and conveyed to the Authority for redevelopment.

The Authority is governed by a seven-member Board of Directors, appointed by the Mayor and confirmed by City Council. The Authority's staff consists of an Executive Director and a part-time administrative assistant. The City Council approves the Authority's budget on an annual basis. The Authority operated on budgets of \$15,000, \$350,000, \$505,457 and \$369,000 in fiscal years 2008, 2009, 2010 and 2011, respectively.

APPOINTED OFFICIALS

These officials served during the audit period:

Board of Directors:	Scot Barg Christopher Webb Heather Wolf Bruce MacCormack (through September 2010) Anne-Marie Faiola (starting October 2010) Kenneth Hertz Rud Browne Brian Steele (through July 2011) Dan Guyette (starting August 2011)
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AUTHORITY CONTACT INFORMATION

Address: Bellingham Public Development Authority
104 W. Magnolia Street
Bellingham, WA 98225

Phone: (360) 738-7403

Website: www.bellinghampda.org

AUDIT HISTORY

This is the first audit of the Authority. Future audits will be conducted on a two-year cycle.



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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