

Washington State Auditor's Office

Accountability Audit Report

**Bellingham Transportation Benefit District
No. 1
Whatcom County**

Report Date
August 12, 2014

Report No. 1012386

Issue Date
August 21, 2014



**Washington State Auditor
Troy Kelley**

Independence • Respect • Integrity



Washington State Auditor Troy Kelley

August 21, 2014

Board of Directors
Bellingham Transportation Benefit District No 1
Bellingham, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your Transportation Benefit District 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 Bellingham Transportation Benefit District No 1'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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Whatcom County
August 12, 2014

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Audit Summary

Bellingham Transportation Benefit District No 1 Whatcom County August 12, 2014

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Bellingham Transportation Benefit District No. 1 from January 1, 2011 through December 31, 2013.

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

- Formation
- Open Public Meetings Act
- Submission of annual report

RESULTS

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

Description of the Transportation Benefit District

Bellingham Transportation Benefit District No 1 Whatcom County August 12, 2014

ABOUT THE TRANSPORTATION BENEFIT DISTRICT

Bellingham Transportation Benefit District No.1 was established by the city of Bellingham in July 2010. The city created this separate legal entity under RCW 36.73 to provide additional financing for the city's transportation related activities. The city collects 0.2 percent of sales and use tax on the Transportation Benefit District's behalf and funds the annual arterial pavement resurfacing program, transit enhancement options, and nonmotorized transportation options.

The Bellingham City Council serves as the Board of Directors, with the city Finance Director acting as the Transportation Benefit District Treasurer. City employees perform all operations and administrative functions of the Transportation Benefit District. The Transportation Benefit District covers the same area as the city and had operating expenditures of \$1.2 million in 2011, \$3.2 million in 2012, and \$4.5 million in 2013.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Directors:

Jack Weiss
Gene Knutson
Cathy Lehman
Terry Bornemann
Stan Snapp
Michael Lilliquist
Seth Fleetwood

Note: Stan Snapp and Seth Fleetwood were replaced by Pinky Vargas and Roxanne Murphy in January 2014.

APPOINTED OFFICIALS

Treasurer

Brian Henshaw

TRANSPORTATION BENEFIT DISTRICT CONTACT INFORMATION

Address: Bellingham Transportation Benefit District No 1
 210 Lottie Street
 Bellingham, WA 98225

Phone: 360-778-8036

AUDIT HISTORY

This is the first audit of the District.



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.

We 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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Deputy Director of Quality Assurance
Deputy Director of Communications
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