

Washington State Auditor's Office
Accountability Audit Report

Port of Ilwaco
Pacific County

Report Date
March 27, 2006

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May 26, 2006



Washington _____
State Auditor

Brian Sonntag



**Washington State Auditor
Brian Sonntag**

May 26, 2006

Board of Commissioners
Port of Ilwaco
Ilwaco, Washington

Report on Accountability for Public Resources

Please find attached our report on the Port of Ilwaco's accountability for public resources 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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Pacific County
March 27, 2006**

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Audit Summary

**Port of Ilwaco
Pacific County
March 27, 2006**

ABOUT THE AUDIT

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

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, 2002, through December 31, 2004.

RESULTS

In most areas, 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. However, we noted certain issues that we communicated to Port management.

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 Ilwaco
Pacific County
March 27, 2006**

ABOUT THE PORT

The Port of Ilwaco, incorporated on April 7, 1928, is governed by an elected, three-member Board of Commissioners. Nine employees provide services to the general public that include a marina, leased properties, equipment storage yards, travel hoist, boat yard facilities, boat storage and an airport. The Port operates on a \$1.5 million annual budget.

AUDIT HISTORY

The Port is audited every three years. Management has been very responsive to prior audit recommendations. Audit concerns are often discussed, addressed and resolved before completion of our audit. This is the sixth consecutive audit that has been free of findings.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Frank Unfred
Jim Stiebritz
Paul Polillo (resigned August 2003)
Richard Watrous (appointed September 2003)

APPOINTED OFFICIALS

Port Manager

Mack Funk

ADDRESS

Port

P.O. Box 307
Ilwaco, WA 98624

Audit Areas Examined

Port of Ilwaco Pacific County March 27, 2006

In keeping with general auditing practices, we do not examine every portion of the Port of Ilwaco'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 FOR PUBLIC RESOURCES

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

- Disbursements
- Payroll
- Cash receipting

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Open Public Meetings Act
- Bid compliance
- Conflict of interest
- Port operations

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
- Expenditures
- Long-term debt
- Overall presentation of the financial statements