

Washington State Auditor's Office
Accountability Audit Report

Port of Silverdale
Kitsap County

Report Date
December 21, 2007

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WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

February 11, 2008

Board of Commissioners
Port of Silverdale
Silverdale, Washington

Report on Accountability

Please find attached our report on the Port of Silverdale's accountability for public resources and compliance with state laws and regulations and its own policies and procedures.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Kitsap County
December 21, 2007**

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Audit Summary

**Port of Silverdale
Kitsap County
December 21, 2007**

ABOUT THE AUDIT

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

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, 2005, through December 31, 2006.

RESULTS

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 resources.

CLOSING REMARKS

We thank Port officials and personnel for their assistance and cooperation during the audit.

Description of the Port

Port of Silverdale Kitsap County December 21, 2007

ABOUT THE PORT

The Port of Silverdale is located in Kitsap County. The Port was formed in 1920 to provide transient moorage and related services. The Port currently covers approximately 16 square miles with over 21,500 residents and a regional shopping center. In 1976 the Port and Kitsap County created an inter-local agreement to develop, construct and maintain a public park and recreational moorage facility. A 1984 land swap with the County enabled development of the County's Waterfront Park and construction of the Port's transient moorage facilities. During 1993, the Port developed a boat ramp and connected parking area. In addition, the Port has purchased rental properties for future development. The Port redeveloped the restrooms, showers and boat trailer parking area starting in 2003 through 2005.

The Port receives most of its funding through property taxes. It had revenues of approximately \$610,000 in 2006. The Port is governed by a three-member Board of Commissioners. The Port has no employees. All services are provided by contracted positions.

AUDIT HISTORY

We audit the Port every two years. There have been no findings in the past 12 years.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Harry Knapp
Lawrence Greaves
Scott Youngren

Note: Ed Scholfield replaced Scott Youngren in April 2007.

APPOINTED OFFICIALS

Port Auditor
Port Attorney

Theresa Haaland
Phil Best

ADDRESS

Port

P.O. Box 310
Silverdale, WA 98383
(360) 698-4918
(360) 698-2402 (fax)
www.portofsilverdale.com

Audit Areas Examined

Port of Silverdale Kitsap County December 21, 2007

In keeping with general auditing practices, we do not examine every portion of the Port of Silverdale'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

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

- Cash receipting and revenues
- Cash disbursements
- Purchase of goods and services
- Purchasing and accounts payable

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

- Timely deposit of public funds
- Budgeting requirements
- Ethics/conflict of interest laws
- Open Public Meetings Act
- Certification and approval of expenditures
- Allowable expenditures



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 has 300 employees who are located around the state to deliver our services effectively and efficiently. Approximately 65 percent of our staff are certified public accountants or hold other certifications and advanced degrees.

Our regular 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. We also perform fraud and whistleblower investigations. In addition, we have the authority to conduct performance audits of state agencies and local governments.

The results of our audits are widely distributed through a variety of reports, which are available on our Web site. 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 program to coordinate audit efficiency and to ensure high-quality audits.

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

Web Site

www.sao.wa.gov