

**PORT OF DEWATTO**  
**2501 NE Dewatto RD**  
**Tahuya, WA 98588**  
**SPECIAL MEETING MINUTES**  
**October 28, 2019**

Chairman: Ray Mow (unable to attend)  
Commissioners: Richard (Ted) Edwards  
David Haugen

Port Manager: Jeana Crosby

**1. CALL MEETING TO ORDER:**

- a. **Commissioner Ted Edwards called the meeting to order at 1:00 p.m.**
- b. **Commissioner attendance:** (Only one commissioner needed for the meeting.)
- c. **Zac Wilson, Assistant Audit Manager from the State Auditor's Office (SAO):** Here to conduct exit conference for 2017-2018 accountability audit.
- d. **Guests:** Kris Tompkins and E.J. Iddings, Jr.

**2. PURPOSE OF SPECIAL MEETING:**

- a. The Auditor was here to conduct the exit conference for the Port of Dewatto. He summarized the results of our recent audit for January 1, 2017 through December 31, 2018. Everyone in attendance was given a folder containing an explanation of what the audit entailed, why audits are done and included a draft Accountability Audit Report, Exit Items and the Representation Letter. The final Accountability Audit for 2017-2018 will be published.
- b. Our audit contained the following highlights from the State Auditor's Office: "We found the Port made significant improvements over all areas since the prior audit and as a result will no longer require an onsite audit". **The Port received a clean audit with no findings.** Mr. Wilson reviewed the draft report summary of our audit. This consisted of eight pages including the cover page and table of contents. It began with the prior Port audit findings from 2013-2016, and the corrective action taken by the Port. As of the date of the current audit for 2017-2018, the findings had been fully corrected.
- c. Since the Port received a clean audit, future assessment audits will be done under a new process of remote audits and will now be conducted in Olympia via online. The Port will submit its annual financial report by the end of May along with the processes and a summary. The SAO will compare the financial reports and may ask for certain verifications that may take approximately 3-4 hours instead of doing an onsite audit. If the Port has expenditures of federal awards of \$750,000 or more in any fiscal year, the

Auditor's Office must be notified to schedule an audit to meet federal single audit requirements.

- d. Our final report should be available via email from the SAO within the next few days. Once available it can be posted on our Port of Dewatto website for the public to review.

### **3. QUESTIONS, ANSWERS AND COMMENTS:**

- a. Commissioner Edwards asked about the need for unemployment insurance and if there was a number of employees needed to have the insurance. Mr. Wilson said there is no set number, however larger companies opt to have unemployment insurance as self-insured would not be the most appropriate type for them. The Port of Dewatto would need to decide if using the available reserve assets should they need to pay unemployment would be the best practice for the Port. Jeana Crosby, Manager mentioned that she had a discussion similar to this during the entrance interview and it may be a good idea to bring it up at a commissioners meeting.
- b. The Port has a waiver from the Mason County Treasurer to deposit funds on a weekly basis. Deposits need to be made within five business days from the first receipt of money.
- c. Kris Tompkins discussed the leave accrual as it had been planned the bookkeepers would handle this with the payroll, however, they said their software would not be able to handle the calculations. So Kris Tompkins took on the responsibility and created a formula based on 160 hours in a month and planned to make adjustments at year end. She will go back to the beginning of the year, recalculate the leave accruals and adjust the numbers to reflect the number of days worked in a month. She also stated that she will now review the manager's time sheet and check the calculations. The Commissioners will be able to sign off the time card at each meeting.
- d. Kris Tompkins asked about the cost of the remote audits done in Olympia. Zac Wilson responded that if it took four hours it would be about \$500. This is a cost savings for the entity.
- e. After reading the audit accountability results and recommendations, Mr. Wilson finalized the meeting with going over costs for the audit, how to contact a support team through local government and who to contact at the SAO with questions or concerns.
- f. Mr. Iddings asked the auditor if he knew what state agency oversees the entity to follow state laws on how a port can increase their property or how they are able to annex more property. Mr. Wilson replied that the SAO does not handle that type of inquiry. Manager Crosby stated that she had some information on that subject and would talk to Mr. Iddings after the meeting.

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MEETING ADJOURNMENT: Commissioner Haugen moved to adjourn the meeting and Commissioner Edwards seconded the motion. Upon vote, motion passed and Commissioner Edwards adjourned the meeting at 1:26 p.m.

**SIGNATURES:**

**Did not attend special meeting**

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Chairman: Ray Mow, District #2/Date

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Commissioner: Richard "Ted" Edwards, District #1/Date

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Commissioner: David Haugen, District #3/Date