



Office of the Washington State Auditor
Pat McCarthy

Assessment Audit Report

Industrial Development Corporation of the Port of Port Angeles

For the period January 1, 2024 through December 31, 2024

Published December 15, 2025

Report No. 1038706



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**Office of the Washington State Auditor
Pat McCarthy**

December 15, 2025

Board of Directors
Industrial Development Corporation of the Port of Port Angeles
Port Angeles, Washington

Report on Assessment Audit

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

The attached report describes the procedures performed and conclusions for the areas we reviewed. We appreciate the opportunity to work with your staff, and value your cooperation during the assessment audit.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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AUDIT SUMMARY

Results in brief

Based on the procedures performed, nothing came to our attention in the areas we reviewed that caused us to believe the Corporation was not in substantial compliance with applicable state laws, regulations, and its own policies, or had not provided adequate controls over the safeguarding of public resources. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

About the assessment audit

This report contains the results of our independent audit of the Industrial Development Corporation of the Port of Port Angeles from January 1, 2024 through December 31, 2024.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives. State law (RCW 43.09.230) also requires local governments to prepare and submit certified annual reports to our Office summarizing such things as revenues received, collections made, amounts receivable or payable, expenditures made, and debt owed.

This assessment audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments at least once every three years. Assessment audits are risk-based, limited-scope reviews of small local governments, generally defined as local governments with less than \$300,000 in annual revenues. To help minimize audit costs, our work for this engagement was conducted off-site primarily using financial and other information provided by the Corporation.

This assessment audit was limited to the following:

- Verifying that annual reports submitted to our Office were complete and filed timely in compliance with state law
- Corroborating financial information reported by the Corporation by comparing it to third-party sources

INFORMATION ABOUT THE CORPORATION

In 1982 the Industrial Development Corporation (IDC) of the Port of Port Angeles was formed. The IDC is a separate municipal corporation which has the authority, under RCW 39.84 and IRS 103(b), to issue nonrecourse revenue bonds on behalf of private companies. Such bonds are restricted to financing industrial development anywhere (Port or non-Port property) within the port district. These bonds are referred to as Industrial Revenue Bonds (IRB's). They allow a private company to obtain tax-exempt financing, which carries a lower interest rate. Revenue bonds issued through the IDC are payable solely by the private company developing industrial facilities. The bonds are neither a liability nor a contingent liability of the IDC or the Port of Port Angeles. Bonds issued by the IDC must be approved by the Washington state tax exempt bond cap program which regulates total tax-exempt bond issuances within the state.

The IDC board is composed of the three current Port commissioners; the board operates under a separate set of bylaws. The IDC has no employees; all IDC work is performed by Port staff under a reimbursement agreement between the Port and the IDC. The only sources of IDC revenue are bond issuance fees received when IDC bonds are actually issued. These fees, normally a few thousand dollars, are then transferred to Port accounts to reimburse the Port for time spent by Port staff on IDC issues.

Contact information related to this report

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Information current as of report publish date.

Audit history

You can find current and past audit reports for the Industrial Development Corporation of the Port of Port Angeles at <https://portal.sao.wa.gov//ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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