

Port Ludlow Drainage District
Commissioner3@PLDD.org

To: LMC

From: Michael Nilssen, Commissioner 3

cc: Sue Milner, Mike Wilson, PLDD Commissioner Cole, District Coordinator
Leigh Christianson

Date: Monday February 2, 2026

Re: Washington State Auditors (SAO) audit and assessment

Your North Bay Port Ludlow Drainage District (PLDD) successfully completed its three-year Washington State Auditors (SAO) audit and assessment. The SAO assessment included business years from January 1, 2022, through December 31, 2024. This audit included PLDD procedures performed, including the areas of compliance with applicable state laws, regulations, and the District's business operations, financial policies, and providing acceptable controls over the safeguarding of public resources. This included:

- Reviewing meeting minutes for compliance with the Open Public Meetings Act
- Inquiring internal controls over assets, revenues, and disbursements
- Verifying that annual reports submitted to the SAO Office were complete and filed timely in compliance with state law
- Reviewing the District's annual revenues and expenditures for unusual transactions or trends
- Corroborating financial information reported by the District by comparing reported revenues, expenditures, and cash and investment balances to third-party sources
- Reviewing expenditures for indications of unusual activities, excessive Board of Commissioners compensation, conflicts of interest, or procurement requirements
- Evaluating the District's financial information for indications of financial distress

The three-page report can be located at:

<https://portal.sao.wa.gov/ReportSearch/Home/ViewReportFile?isFinding=false&arn=1039007>