



Washington State Auditor's Office

Independence • Respect • Integrity

Financial Statements and Federal Single Audit Report

City of Sultan

Snohomish County

For the period January 1, 2014 through December 31, 2014

Published September 30, 2015

Report No. 1015301





Washington State Auditor's Office

September 30, 2015

Council
City of Sultan
Sultan, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the City of Sultan's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the City's financial condition.

Sincerely,

A handwritten signature in blue ink that reads "Jan M. Jutte".

JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

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FEDERAL SUMMARY

**City of Sultan
Snohomish County
January 1, 2014 through December 31, 2014**

The results of our audit of the City of Sultan are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal Control Over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the City.

Federal Awards

Internal Control Over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the City's compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

Identification of Major Programs:

The following was a major program during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
20.205	Highway Planning and Construction Cluster - Highway Planning and Construction

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$300,000.

The City qualified as a low-risk auditee under OMB Circular A-133.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**City of Sultan
Snohomish County
January 1, 2014 through December 31, 2014**

Council
City of Sultan
Sultan, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the City of Sultan, Snohomish County, Washington, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated September 24, 2015.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

In addition, we noted certain matters that we have reported to the management of the City in a separate letter dated September 24, 2015.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However,

this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

September 24, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

**City of Sultan
Snohomish County
January 1, 2014 through December 31, 2014**

Council
City of Sultan
Sultan, Washington

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM**

We have audited the compliance of the City of Sultan, Snohomish County, Washington, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014. The City's major federal programs are identified in the accompanying Federal Summary.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance

with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any

deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

PURPOSE OF THIS REPORT

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

September 24, 2015

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

City of Sultan Snohomish County January 1, 2014 through December 31, 2014

Council
City of Sultan
Sultan, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Sultan, Snohomish County, Washington, for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's financial statements, as listed on page 15.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the City of Sultan has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the City of Sultan, for the year ended December 31, 2014, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the City used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Sultan, as of December 31, 2014, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Other Matters

Supplementary and Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Schedule of Liabilities is also presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

September 24, 2015

FINANCIAL SECTION

**City of Sultan
Snohomish County
January 1, 2014 through December 31, 2014**

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2014
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2014
Notes to Financial Statements – 2014

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2014
Schedule of Expenditures of Federal Awards – 2014
Notes to the Schedule of Expenditures of Federal Awards – 2014

City of Sultan
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

		Total for All Funds (Memo Only)	001 GENERAL FUND	101 STREET FUND
Beginning Cash and Investments				
30810	Reserved	110,113	-	-
30880	Unreserved	3,237,512	419,445	6,249
388 & 588	Prior Period Adjustments, Net	-	-	-
Operating Revenues				
310	Taxes	1,639,715	1,318,831	71,234
320	Licenses and Permits	125,474	120,368	1,850
330	Intergovernmental Revenues	2,284,502	192,177	96,125
340	Charges for Goods and Services	3,277,926	28,441	-
350	Fines and Penalties	24,758	16,078	-
360	Miscellaneous Revenues	438,223	132,022	68
Total Operating Revenues:		7,790,598	1,807,917	169,277
Operating Expenditures				
510	General Government	524,552	511,590	-
520	Public Safety	997,695	997,695	-
530	Utilities	2,156,228	-	-
540	Transportation	156,878	-	156,878
550	Natural and Economic Environment	225,324	225,324	-
560	Social Services	753	753	-
570	Culture and Recreation	75,751	75,751	-
Total Operating Expenditures:		4,137,181	1,811,113	156,878
Net Operating Increase (Decrease):		3,653,417	(3,196)	12,399
Nonoperating Revenues				
370-380, 395 & 398	Other Financing Sources	135,218	20,495	-
391-393	Debt Proceeds	2,981,720	-	-
397	Transfers-In	1,458,822	135,110	-
Total Nonoperating Revenues:		4,575,760	155,605	-
Nonoperating Expenditures				
580, 596 & 599	Other Financing Uses	150	150	-
591-593	Debt Service	918,634	-	-
594-595	Capital Expenditures	3,713,559	136,777	729
597	Transfers-Out	1,430,822	-	3,500
Total Nonoperating Expenditures:		6,063,165	136,927	4,229
Net Increase (Decrease) in Cash and Investments:		2,166,012	15,482	8,170
Ending Cash and Investments				
50810	Reserved	111,430	-	-
50880	Unreserved	5,402,206	434,924	14,419

The accompanying notes are an integral part of this statement.

103 CEMETERY FUND	104 CR EQUIPMENT FUND	108 IMPACT FEE FUND	112 PARK IMPACT FEE FUND	117 TIMBER RIDGE SETTLEMENT FUND	203 LIMITED GO TAX BOND FUND
110,113	-	-	-	-	-
6,417	592,896	1,841	76,153	320,444	2,222
-	-	-	-	-	-
-	-	-	-	-	128,688
-	-	-	-	-	-
-	-	-	-	-	-
21,894	-	28,043	19,350	-	-
-	-	-	-	-	-
4,041	313	72	182	730	25
25,935	313	28,115	19,532	730	128,713
-	-	-	-	-	302
-	-	-	-	-	-
22,368	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
22,368	-	-	-	-	302
3,567	313	28,115	19,532	730	128,411
-	-	-	-	-	-
-	-	-	-	-	-
-	73,000	-	-	-	20,000
-	73,000	-	-	-	20,000
-	-	-	-	-	-
-	-	-	-	-	140,275
-	535,827	-	-	17,059	-
-	-	-	20,000	-	-
-	535,827	-	20,000	17,059	140,275
3,567	(462,514)	28,115	(468)	(16,329)	8,136
111,430	-	-	-	-	-
8,666	130,382	29,956	75,685	304,115	10,358

The accompanying notes are an integral part of this statement.

205 POLICE GO BOND FUND	207 LID GUARANTY AND BOND FUND	301 CAPITAL PROJECT FUND - REET 1	302 CAPITAL PROJECT FUND - REET 2	303 STREET IMPROVEMENT FUND	305 PARK IMPROVEMENT FUND
-	-	-	-	-	-
18,612	297,857	5,037	36,439	(228,133)	281
-	-	-	-	-	-
32,432	-	33,975	33,975	-	-
-	-	-	-	-	-
-	-	-	-	1,983,228	-
-	-	-	-	-	-
-	1,096	-	-	-	-
44	170,986	46	170	-	2
32,476	172,082	34,021	34,145	1,983,228	2
302	1,877	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
302	1,877	-	-	-	-
32,174	170,205	34,021	34,145	1,983,228	2
-	-	-	-	-	-
-	-	-	-	-	-
-	140,000	-	-	960,576	20,000
-	140,000	-	-	960,576	20,000
-	-	-	-	-	-
32,523	294,278	-	-	-	-
-	-	-	-	2,811,605	19,424
-	-	20,000	20,000	-	-
32,523	294,278	20,000	20,000	2,811,605	19,424
(349)	15,927	14,021	14,145	132,199	578
-	-	-	-	-	-
18,263	313,785	19,057	50,583	(95,934)	859

The accompanying notes are an integral part of this statement.

400 UTILITY WATER FUND	401 UTILITY SEWER FUND	402 UTILITY GARBAGE FUND	406 STORMWATER UTILITY FUND
-	-	-	-
719,584	674,082	268,592	19,494
-	-	-	-
-	-	20,580	-
-	-	3,256	-
10,761	-	2,211	-
976,467	1,279,306	758,515	165,910
7,584	-	-	-
51,403	25,868	(5,429)	57,679
1,046,215	1,305,174	779,133	223,589
5,240	5,240	-	-
-	-	-	-
702,397	640,833	660,844	129,786
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
707,637	646,073	660,844	129,786
338,578	659,101	118,289	93,803
37,353	77,370	-	-
2,042,479	939,242	-	-
50,000	60,136	-	-
2,129,832	1,076,748	-	-
-	-	-	-
195,703	255,855	-	-
29,018	146,344	14,009	2,767
728,098	555,684	63,803	19,737
952,819	957,883	77,812	22,504
1,515,590	777,966	40,477	71,299
-	-	-	-
2,235,176	1,452,049	309,070	90,793

The accompanying notes are an integral part of this statement.

City of Sultan
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

		Total for All Funds (Memo Only)	633 TREASURERS TRUST FUND	634 INVESTMENT FUND
308	Beginning Cash and Investments	142,459	142,459	-
388 & 588	Prior Period Adjustments, Net	-	-	-
310-360	Revenues	15,681	-	15,681
380-390	Other Increases and Financing Sources	833,561	33,561	800,000
510-570	Expenditures	-	-	-
580-590	Other Decreases and Financing Uses	877,743	62,062	815,681
	Net Increase (Decrease) in Cash and Investments:	(28,501)	(28,501)	-
508	Ending Cash and Investments	113,958	113,958	-

The accompanying notes are an integral part of this statement.

CITY OF SULTAN
NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

Note 1-Summary of Significant Accounting Policies

The City of Sultan incorporated in 1905 and operates under the laws of the State of Washington applicable to a Code City with a Mayor/Council form of government.

The City is a general purpose government and provides public safety, health and social services, street improvement, parks and recreation, and general administrative services. In addition, the City owns and operates a cemetery, sewer system, water system, stormwater system and garbage collection service. The City uses single entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

The City reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

Internal Service Funds

These funds account for operations that provide goods or services to other departments or funds of the government on a cost reimbursement basis.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

Agency Funds

These funds are used to account assets that the government holds on behalf of others in a custodial capacity.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the city also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

Purchase of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation

C. Budgets

The City adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level, except in the general fund, where expenditures are adopted at the department level. The budgets constitute the legal authority for expenditures at that level. Annual appropriations for all funds lapse at the fiscal period end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

For reporting purposes, management funds have been combined into a single fund. The following funds have been combined:

General Fund combines managerial funds: 001, 100, 109, 113, 114 and 115

Water fund combines managerial funds: 400, 405, 409, 412, and 403 (50%)

Sewer fund combines managerial funds: 401, 404, 407, 413, and 403 (50%)

Stormwater fund combines managerial funds: 406, 410

The appropriated and actual expenditures for the legally adopted budgets were as follow:

EXPENDITURES		2014 BUDGET SUMMARY		
Fund	Fund Name	Budget	Actual	Over/Under
001	General Fund			
	Legislative	\$15,850.00	\$16,987	(\$1,137)
	Executive	\$62,605.00	\$66,178	(\$3,573)
	Finance/Administration	\$64,890.00	\$75,293	(\$10,403)
	Grants	\$37,480.00	\$32,271	\$5,209
	Legal	\$108,464.00	\$124,775	(\$16,311)
	Other Governmental	\$67,435.00	\$94,926	(\$27,491)
	Law Enforcement	\$960,192.00	\$964,907	(\$4,715)
	Law Enforcement - Court	\$79,400.00	\$63,034	\$16,366
	Emergency Management	\$5,600.00	\$6,607	(\$1,007)
	Code Enforcement	\$32,164.00	\$41,056	(\$8,892)
	Planning and Community Development	\$127,250.00	\$145,804	(\$18,554)
	Building	\$26,103.00	\$38,462	(\$12,359)
	Public Health	\$1,000.00	\$753	\$247
	Library	\$6,500.00	\$5,802	\$698
	Park/Recreation	\$66,352.00	\$66,212	\$140
	Miscellaneous (Transfers Out)	\$9,000.00	\$9,000	\$0
	Sub Total General Fund	\$1,670,285	\$1,752,069	(\$81,784)
100	General Fund Contingency	\$0	\$0	\$0
109	Community Improvement Fund	\$145,810	\$72,381	\$73,429
113	Building Maintenance Fund	\$86,969	\$85,754	\$1,215
114	Information Tech Fund (IT)	\$42,500	\$26,724	\$15,776
115	Insurance Claim Fund	\$11,443	\$20,119	(\$8,676)
	Total General Funds	\$1,957,007	\$1,957,046	(\$39)
101	Street Fund	\$149,890	\$161,107	(\$11,217)
103	Cemetery Fund	\$23,440	\$22,368	\$1,072
104	C.R. Equipment Fund	\$527,685	\$535,827	(\$8,142)
108	Street Impact Fee Fund	\$0	\$0	\$0
112	Park Impact Fee Fund	\$20,000	\$20,000	\$0
	Total Special Revenue Funds	\$721,015	\$739,302	(\$18,287)

EXPENDITURES		2014 BUDGET SUMMARY		
Fund	Fund Name	Budget	Actual	Over/Under
203	Limited Tax Bond GO	\$140,577	\$140,577	\$0
205	Unlimited Tax GO Bond	\$32,828	\$32,824	\$4
207	LID Guaranty Fund	\$215,927	\$296,154	(\$80,227)
	Total Debt Service Funds	\$389,332	\$469,555	(\$80,223)
117	Timber Ridge Settlement	\$317,000	\$17,059	\$299,941
301	Capital Project Fund REET 1	\$20,000	\$20,000	\$0
302	Capital Project Fund REET 2	\$20,000	\$20,000	\$0
303	Street Improvement Fund	\$2,570,390	\$2,811,605	(\$241,215)
305	Park Improvement Fund	\$344,600	\$19,424	\$325,176
	Total Capital Project Funds	\$3,271,990	\$2,888,088	\$383,902
400	Utility Water Fund	\$1,014,628	\$948,984	\$65,644
405	C.R. Water Utility Fund	\$160,614	\$0	\$160,614
409	Water System Improvement Fund	\$286,776	\$17,822	\$268,954
412	Water System Debt Fund	\$133,090	\$133,088	\$2
403	Water/Sewer Revenue Bond Fund (50%)	\$67,865	\$68,036	(\$171)
	Total Water Funds	\$1,662,973	\$1,167,930	\$495,043
401	Utility Sewer Fund	\$1,381,722	\$1,295,705	\$86,017
404	C.R. Sewer Utility Fund	\$163,578	\$0	\$163,578
407	Sewer System Improvement Fund	\$228,578	\$428	\$228,150
413	Sewer System Debt Fund	\$194,744	\$193,239	\$1,505
403	Water/Sewer Revenue Bond Fund (50%)	\$67,865	\$68,036	(\$171)
	Total Sewer Funds	\$2,036,487	\$1,557,409	\$479,078
402	Utility Garbage Fund	\$749,433	\$738,657	\$10,776
	Total Garbage Funds	\$749,433	\$738,657	\$10,776
406	Storm Water Utility	\$162,951	\$151,655	\$11,296
410	Stormwater System Improvement Fund	\$0	\$2,766	(\$2,766)
	Total Stormwater Funds	\$162,951	\$154,421	\$8,530
621	Cemetery Trust Fund	\$0	\$0	\$0
	TOTAL ALL FUNDS	\$10,951,188	\$9,672,408	\$1,278,780

Budgeted amounts are authorized to be transferred between object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the city's legislative body.

The City amended the 2014 budget as follows:

**2014 BUDGET AMENDMENT
SUMMARY**

	Revenue	ORIGINAL BUDGET	Ord 1195-14 Amendment 1	Ord 1207-14 Amendment 2	Revised Budget
Fund	Fund Name				
001	General Fund	\$1,624,630	\$0	\$45,655	\$1,670,285
104	Equipment Reserve	\$93,400	\$433,065	\$2,000	\$528,465
112	Park Impact	\$0		\$20,000	\$20,000
113	Building Maintenance Fund	\$84,602		\$8,000	\$92,602
115	Insurance Fund	\$0		\$11,825	\$11,825
207	LID Guaranty Fund	\$318,900		\$0	\$318,900
303	Street Construction	\$1,939,935		\$735,299	\$2,675,234
305	Park Improvement	\$0	\$7,570	\$337,030	\$344,600
401	Sewer Operating	\$1,291,412	\$25,700	\$91,000	\$1,408,112
403	Water/Sewer Bond	\$125,532		\$2,981,720	\$3,107,252
633	Treasurers Trust	\$0	\$7,570	\$137,000	\$144,570
	TOTALS	\$5,478,411	\$473,905	\$4,369,529	\$10,321,845

	Expenditures	ORIGINAL BUDGET	Ord 1195-14 Amendment 1	Ord 1207-14 Amendment 2	Revised Budget
Fund	Fund Name				
001	General Fund	\$1,589,726	\$18,090	\$ 62,469	\$ 1,670,285
104	Equipment Reserve	\$36,000	\$433,065	\$ 58,620	\$ 527,685
112	Park Impact	\$0		\$ 20,000	\$ 20,000
113	Building Maintenance Fund	\$66,469		\$ 20,500	\$ 86,969
115	Insurance Fund	\$0		\$ 11,443	\$ 11,443
207	LID Guaranty Fund	\$213,927		\$ 2,000	\$ 215,927
303	Street Construction	\$1,937,935		\$ 632,455	\$ 2,570,390
305	Park Improvement	\$0	\$7,570	\$ 337,030	\$ 344,600
401	Sewer Operating	\$1,271,022	\$25,700	\$ 85,000	\$ 1,381,722
403	Water/Sewer Bond	\$125,532		\$ 10,198	\$ 135,730
633	Treasurers Trust	\$0	\$7,570	\$ 137,000	\$ 144,570
	TOTALS	\$5,240,611	\$491,995	\$ 1,376,715	\$ 7,109,321

D. Cash and Investments

See Note 3, *Deposits and Investments*.

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three years. Capital assets and inventory are recorded as capital expenditures when purchased.

F. Compensated Absences

Vacation leave may be accumulated to a maximum of two years worth of vacation leave based on the employee's current accrual rate and is payable upon separation or retirement. Upon separation or retirement employees are paid for unused vacation leave.

Sick leave may accumulate up to 960 hours. Upon separation or retirement employees do not receive payment for unused sick leave.

Payments are recognized as expenditures when paid.

G. Long-Term Debt

See Note 4, *Debt Service Requirements*.

H. Other Financing Sources or Uses

The government's *Other Financing Sources or Uses* consist of:

- Interfund Transfers In and Out
- Sales of Fixed Assets
- Insurance Recoveries

I. Risk Management

Liability and Property

The City is a member of the Cities Insurance Association of Washington. Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1988 when 34 cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of September 1, 2014, there are 223 members in the program.

The program provides the following forms of joint self-insurance and excess coverage for its members: Property, including automobile comprehensive and collision, equipment breakdown and crime prevention, and liability, including general, automobile and wrong acts, are included to fit members various needs.

The program acquires liability insurance through their Administrator, Canfield, that is subject to a per-occurrence self insured retention of \$100,000. The standard member deductible is \$1,000 for each claim (deductible may vary per member), while the program is responsible for the \$100,000 self insured retention. Insurance carriers cover insured losses over \$101,000 to the limits of each policy. Since the program is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$100,000 self insured retention. The program also purchases a Stop Loss Policy with an attachment point of \$3,259,396 to cap the total claims paid by the program in any one year.

Property insurance is subject to a per-occurrence self insured retention of \$25,000 (\$10,000 for pumps and motors). Members are responsible for a \$1,000 deductible for each claim. The program bears the \$25,000 self insured retention in addition to the deductible.

Equipment breakdown insurance is subject to a per-occurrence deductible of \$2,500, which may vary per member with the exception of Pumps & Motors which is \$10,000. Members are responsible for the deductible amount of each claim. There is no program self insured retention on this coverage, with the exception of Pumps & Motors which \$15,000 and is covered by the CIAW.

Members contract to remain in the pool for a minimum of one year, and must give notice before August 31 terminating participation the following September 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program. On July 21, 2014, the Board passed a resolution changing the CIAW's renewal dated from September 1 to December 1st beginning with the 2015-16 policy term. An endorsement was added to the 2013-14 Memorandum of Coverage, extending coverage to December 1, 2014. The next full policy year will begin on December 1, 2014. Premiums were prorated for the extension period and invoices and certificates were issued.

The program has no employees. Claims are filed by members/brokers with Canfield, which has contracted to perform program administration, claims adjustment and administration, and loss prevention for the program. Fees paid to the third-party administrator under this arrangement for the year ended December 1, 2014 were \$1,817,654.59.

Health and Welfare:

The City is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance, or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2014, 263 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical insurance through Regence BlueShield and Asuris Northwest Health, dental insurance through Delta Dental of Washington, and vision insurance through Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation,

intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. The AWC Trust HCP purchases stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Group Health ISL at \$750,000 through Sun Life. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC HCP for a minimum of three years.

Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and the AWC Board of Directors President and Vice President. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

J. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by ordinance. When expenditures that meet restrictions are incurred, the city intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of funds in the Cemetery Endowment Care fund in the amount of \$111,430.

Note 2 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by city. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The City's regular levy for the year 2014 was \$1.60 per \$1,000 on an assessed valuation of \$302,359,259 for a total regular levy of \$570,187.

Note 3– Deposits and Investments

It is the city's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission). All investments are insured, registered or held by the city or its agent in the government's name.

Investments are reported at original cost. Investments by type at December 31, 2014 are as follows:

<u>Type of Investment</u>	<u>City's Investments</u>
L.G.I.P.	\$ 1,121,084
Money Market Account	\$ 244,794
Savings Account	\$ 5,693
US Bank Safekeeping Account	\$ 2,160,906
Total	\$ 3,532,477

Note 4 – Debt Service Requirements

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the city and summarizes the city's debt transactions for year ended December 31, 2014.

The debt service requirements for general obligation bonds, revenue bonds and loans including both principle and interest, are as follows:

Years	General Obligation (GO Bonds)	Other Debt (PWTF Water and Sewer)	Revenue Bonds (Water and Sewer)	TOTAL DEBT
2014	172,798	326,742	125,230	624,770
2015	176,943	325,085	342,981	845,009
2016	180,553	307,619	345,300	833,472
2017	183,618	194,905	216,650	595,173
2018	186,218	255,779	219,250	661,246
2019-23	157,963	356,283	1,083,500	1,597,745
2024-34	31,530	70,209	2,254,200	2,355,939
Totals	\$1,089,622	\$1,836,621	\$4,587,111	\$7,513,354

Note 5 – Interfund Loans

There are no interfund loans

Note 6 - Pension Plans

Substantially all city full-time and qualifying part-time employees participate in Public Employees Retirement System Plan 2 or 3 (PERS2/PERS3) administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the city's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98504-8380

Note 7 - Other Disclosures

1. Water/Sewer bond fund is a combined fund for water and sewer system improvements. For reporting purposes, the fund split between the Water and Sewer department funds is 50/50 split.
2. New water/sewer bonds were issued in 2014 in the amount of \$2,870,000. For reporting purposes in future years the split will be 69% water fund and 31% sewer fund.
3. The city received an AA- bond rating on the new bond issue.
4. Joint Ventures: The City is involved in a joint operation with other governmental entities in the establishment and operation of SNOPAC. Control of the entity, by participating governmental entities, is by board representation. The purpose is to provide a consolidated public safety communications service to participating agencies. The City's contribution to the 800 MHZ system was approximately \$285,000 in 2007.

City of Sultan
Schedule of Liabilities
For the Year Ended December 31, 2014

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligations						
251.11	LTGO Bond - Community Center	12/1/2018	650,000	-	110,000	540,000
251.12	Unlimited Tax Bond - Police Bonds	12/1/2024	260,000	-	20,000	240,000
259.11	Compensated Absence		90,229	77,967	76,602	91,594
Total General Obligations:			1,000,229	77,967	206,602	871,594
Revenue Obligations						
252.11	LTGO Refunding	12/1/2016	365,000	-	120,000	245,000
263.82	Sewer - PW596-791-056	11/1/2027	323,027	-	107,676	215,351
263.82	Water - PW02-691-PRE 119	7/1/2022	144,078	-	16,009	128,069
263.82	Water - SRF PW 9778897 076	7/20/2018	285,736	-	57,147	228,589
263.82	Water - PW 98-791-063	5/1/2018	207,752	-	41,550	166,202
263.82	Storm - DOELO 10034	2/15/2025	29,690	-	8,217	21,473
263.82	Sewer - PW 04-691-064	5/1/2024	768,454	-	69,859	698,595
263.82	Water/Sewer Revenue Bonds	12/1/2033	-	2,870,000	-	2,870,000
Total Revenue Obligations:			2,123,737	2,870,000	420,458	4,573,279
Assessment Obligations						
253.11	Sewer - LID 97-1	2/15/2021	1,640,000	-	205,000	1,435,000
Total Assessment Obligations:			1,640,000	-	205,000	1,435,000
Total Liabilities:			4,763,966	2,947,967	832,060	6,879,873

City of Sultan
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014

Federal Agency (Pass-Through Agency)				Expenditures		
Federal Program	CFDA Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total	Note
CDBG - Entitlement Grants Cluster						
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Snohomish County)	Community Development Block Grants/Entitlement Grants	14.218	HCS-12-21- 1203-248	12,969	-	12,969 2
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Snohomish County)	Community Development Block Grants/Entitlement Grants	14.218	HCS-13-21- 1308-248	195,000	-	195,000 2
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Snohomish County)	Community Development Block Grants/Entitlement Grants	14.218	HCS-12-21- 1202-248	30,170	-	30,170 2
Total CDBG - Entitlement Grants Cluster:				238,139	-	238,139
Highway Planning and Construction Cluster						
Federal Highway Administration (fhwa), Department Of Transportation (via State of Washington)	Highway Planning and Construction	20.205	STP-HLP- S301(004)	433,944	-	433,944 2
Federal Highway Administration (fhwa), Department Of Transportation (via WSDOT)	Highway Planning and Construction	20.205	STPR- 31AK(002)	9,842	-	9,842 2
Federal Highway Administration (fhwa), Department Of Transportation (via WSDOT)	Highway Planning and Construction	20.205	STPR-002*834)	144,691	-	144,691
Total Highway Planning and Construction Cluster:				588,477	-	588,477
Total Federal Awards Expended:				826,616	-	826,616

CITY OF SULTAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ending December 31, 2014

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Financial Assistance is prepared on the same basis of accounting as the City's financial statements. The City uses BARS for cash basis Local Governments accounting.

NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only federal grant portions of the program costs. Entire program costs, including the City's portion may be more than shown.

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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

Our 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. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Deputy Director for Communications	Thomas Shapley Thomas.Shapley@sao.wa.gov (360) 902-0367
Public Records requests	(360) 725-5617
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov