Washington State Auditor's Office

Independence • Respect • Integrity

Financial Statements Audit Report

City of Clyde Hill

King County

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

Published August 24, 2015

Report No. 1014915

Washington State Auditor's Office

August 24, 2015

Mayor and City Council
City of Clyde Hill
Clyde Hill, Washington

Report on Financial Statements

Please find attached our report on the City of Clyde Hill's financial statements.

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

Sincerely,

JAN M. JUTTE, CPA, CGFM

ACTING STATE AUDITOR

OLYMPIA, WA

TABLE OF CONTENTS

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 4

Independent Auditor's Report On Financial Statements 7

Financial Section 10

About The State Auditor's Office 21

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 Clyde Hill
King County
January 1, 2014 through December 31, 2014

Mayor and City Council
City of Clyde Hill
Clyde Hill, 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 Clyde Hill, King 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 August 11, 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.

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

August 11, 2015

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

City of Clyde Hill
King County
January 1, 2014 through December 31, 2014

Mayor and City Council
City of Clyde Hill
Clyde Hill, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Clyde Hill, King 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 10.

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 Clyde Hill 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 Clyde Hill, 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 Clyde Hill, 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 Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS manual. This schedule is 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 August 11, 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

August 11, 2015

FINANCIAL SECTION

City of Clyde Hill
King 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

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

		Total for All Funds (Memo Only)	001 General Fund	301 Capital Projects Fund
Beginning Cash and Investments				
30810	Reserved	2,236,554	-	2,236,554
30880	Unreserved	3,950,577	3,950,577	-
388 & 588	Prior Period Adjustments, Net	-	-	-
Operating Revenues				
310	Taxes	2,596,994	2,068,606	528,388
320	Licenses and Permits	583,294	583,294	-
330	Intergovernmental Revenues	288,265	158,095	130,170
340	Charges for Goods and Services	537,458	537,458	-
350	Fines and Penalties	69,272	69,272	-
360	Miscellaneous Revenues	175,117	175,117	-
Total Operating Revenues:		4,250,401	3,591,843	658,558
Operating Expenditures				
510	General Government	735,974	735,974	-
520	Public Safety	1,909,069	1,909,069	-
530	Utilities	3,616	3,616	-
540	Transportation	572,543	572,543	-
550	Natural and Economic Environment	72,614	72,614	-
560	Social Services	604	604	-
570	Culture and Recreation	17,271	17,271	-
Total Operating Expenditures:		3,311,691	3,311,691	-
Net Operating Increase (Decrease):		**938,710**	**280,151**	**658,558**
Nonoperating Revenues				
370-380, 395 & 398	Other Financing Sources	-	-	-
391-393	Debt Proceeds	-	-	-
397	Transfers-In	-	-	-
Total Nonoperating Revenues:		-	-	-
Nonoperating Expenditures				
580, 596 & 599	Other Financing Uses	-	-	-
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	533,090	108,307	424,783
597	Transfers-Out	-	-	-
Total Nonoperating Expenditures:		533,090	108,307	424,783
Net Increase (Decrease) in Cash and Investments:		**405,620**	**171,844**	**233,775**
Ending Cash and Investments				
50810	Reserved	2,470,329	-	2,470,329
50880	Unreserved	4,122,422	4,122,422	-

The accompanying notes are an integral part of this statement.

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

		Total for All Funds (Memo Only)	631 Agency Funds
308	Beginning Cash and Investments	301,413	301,413
388 & 588	Prior Period Adjustments, Net	-	-
310-360	Revenues	-	-
380-390	Other Increases and Financing Sources	139,271	139,271
510-570	Expenditures	-	-
580-590	Other Decreases and Financing Uses	131,529	131,529
Net Increase (Decrease) in Cash and Investments:		7,742	7,742
508	Ending Cash and Investments	309,155	309,155

The accompanying notes are an integral part of this statement.

REPORTING

Note 1 - Summary of Significant Accounting Policies

The City of Clyde Hill reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the *Cash Basis Budgeting, Accounting and Reporting S*ystem (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

The City of Clyde Hill was incorporated on March 31, 1953 and operates under the laws of the state of Washington applicable to a non-charter Code City with strong mayor city council type of government structure. The City of Clyde Hill is a general purpose government and provides police, fire, public works and general government services. The City of Clyde Hill uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

A. Fund Accounting

The accounts of the City of Clyde Hill are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The City of Clyde Hill's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types that could be used by the City of Clyde Hill:

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

This fund is the primary operating fund of the City of Clyde Hill. 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 City of Clyde Hill. The City of Clyde Hill does not have any Special Revenue Funds.

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. The City of Clyde Hill does not have any Debt Service Funds.

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.

Permanent Funds

These funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the government or its citizenry. The City of Clyde Hill does not have any Permanent Funds.

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. The City of Clyde Hill does not have any Enterprise Funds.

Internal Service Funds

These funds account for operations that provide goods or services to other departments or funds of the city on a cost reimbursement basis. The City of Clyde Hill does not have any Internal Service Funds.

FIDUCIARY FUND TYPES:

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

Private-Purpose Trust Funds

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments. The City of Clyde Hill does not have any Private-Purpose Trust Funds.

Agency Funds

These funds are used to account assets that City of Clyde Hill holds for others in an agency capacity.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when

cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

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

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

C. Budgets

The City of Clyde Hill adopts annual appropriated budgets for two funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Total General Fund	$3,349,000	$3,177,626	$171,374
Total Projects Fund	$1,287,600	$667,155	$620,445

Budgeted amounts are authorized to be transferred between (departments within any fund/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 of Clyde Hill's legislative body.

D. Cash

It is the City of Clyde Hill's policy to invest all temporary cash surpluses. The amount is included in the cash and investments shown on the statements of fund resources and uses arising from cash transactions. As directed by City of Clyde Hill Policy Statement #9: Continue to consolidate and allocate all interest income earned on surplus City funds into the General Fund to better streamline the City's financial operations and further simplify the accounting system.

E. Deposits

The City of Clyde Hill deposits and certificates of deposit are covered by (the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission).

F. Investments

(See Investment Note No. 3).

G. Derivatives and Similar Transactions

The City has no investments or direct holdings in derivatives.

H. Capital Assets

Capital assets are assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. The capital assets of the City of Clyde Hill are recorded as expenditures when purchased.

I. Compensated Absences

Vacation leave may be accumulated within certain limits that are different for different types of employees and the amount under the limit is payable upon separation or retirement.

Sick leave may be accumulated indefinitely for non-union employees. Police officers have a buy-back provision in their collective bargaining agreement after 60 days of accumulated sick leave. The buy rate is 25%. Upon separation or retirement non-union employees do not receive payment for unused sick leave.

J. Long-Term Debt

(See Long-Term Debt Note No. 6).

K. Other Financing Sources or Uses

The City of Clyde Hill's *Other Financing Sources or Uses* consist of:

- Operating Transfers to support the operations of other funds;
- Insurance Recoveries
- Jail Land Sale Proceeds

L. Risk Management

The city of Clyde Hill is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created

for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 175 Members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are $4 million per occurrence self-insured layer, and $16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are $20 million per occurrence subject to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to $750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

In-house services include risk management consultation, loss control field services, claims and litigation administration, and loss analyses. WCIA contracts for the claims investigation consultants for personnel issues and land use problems, insurance brokerage, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

M. Reserved Fund Balance

The City of Clyde Hill has no legally required internal restrictions on the City's two fund balances. There is one external restriction on the fund balance in the City's Capital Projects Fund in the form of Real Estate Excise Tax (REET). At December 31, 2014, $2,470,329 of Real Estate Excise Tax (REET) money was classified as "Reserved" for capital projects only.

Note 3 - Investments

The City of Clyde Hill's investments are either insured, registered or held by the City of Clyde Hill or its agent in the City of Clyde Hill's name.

Investments are presented at principal balances.

Investments by type at December 31, 2014 are as follows:

Type of Investment	City of Clyde Hill's **own** investments	Investments held by City of Clyde Hill as an agent for other local governments, individuals or private organizations.	Total
L.G.I.P.	$5,840,832	$0	$5,840,832
U.S. Government Securities	$0	$0	$0
Other:			
Certificates of Deposit (2)	$499,225	$0	$499,225
Public Money Market	$502,179	$0	$502,179
Total	$ 6,842,236	$ $0	$6,842,236

Note 4 - Property Tax

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

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

The City of Clyde Hill's regular levy for the year 2014 was $0.60161 per $1,000 on an assessed valuation of $1,642,950,803 for a total regular levy of $987,500.

Note 5 - Interfund Loans

There were no interfund loans outstanding during 2014.

Note 6 – Debt Service Requirements

The City had no debt in 2014. The City's liability for unpaid compensated absences as of 12/31/14 has been calculated to be $99,592.

Note 7 - Pension Plans

Substantially all City of Clyde Hill's full-time and qualifying part-time employees participate in PERS II, PERS III, and LEOFF II 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 of Clyde Hill'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
P.O. Box 48380
Olympia, WA 98504-8380

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

The City of Clyde Hill has a commitment to pay for post-employment benefits for retired employees that belong to the LEOFF I retirement plan. These benefits include medical, vision and long term care. Three Police Department retirees received benefits during the year and $37,994 was paid out for those benefits during the year.

The City's proportionate share of Fire Department retirees is included in contractual payments to the City of Bellevue. The 2014 amount for LEOFF I Fire retirees was $20,828.

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

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligations						
259.11	Compensated Absences	12/31/2014	94,643	4,948	-	99,591
		Total General Obligations:	**94,643**	**4,948**	**-**	**99,591**
		Total Liabilities:	**94,643**	**4,948**	**-**	**99,591**

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