



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report
North Highline Fire District
King County

For the period January 1, 2016 through December 31, 2016

Published July 19, 2018

Report No. 1021785





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

July 19, 2018

Board of Commissioners
North Highline Fire District
Seattle, Washington

Report on Financial Statements

Please find attached our report on North Highline Fire District's financial statements.

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

Sincerely,

A handwritten signature in cursive script that reads "Pat McCarthy".

Pat McCarthy
State Auditor
Olympia, WA

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**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**

**North Highline Fire District
King County
January 1, 2016 through December 31, 2016**

Board of Commissioners
North Highline Fire District
Seattle, 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 North Highline Fire District, King County, Washington, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated May 2, 2018.

We issued an unmodified opinion on the fair presentation of the District'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 District 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 District'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 District's

internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 District's financial statements are free from material misstatement, we performed tests of the District'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 District'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 District'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.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, stylized "P" and "M".

Pat McCarthy
State Auditor
Olympia, WA

May 2, 2018

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

North Highline Fire District King County January 1, 2016 through December 31, 2016

Board of Commissioners
North Highline Fire District
Seattle, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of North Highline Fire District, King County, Washington, for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District'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 opinions 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 District'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 District'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, North Highline Fire District 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 North Highline Fire District, for the year ended December 31, 2016, 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 District 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 North Highline Fire District, as of December 31, 2016, 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 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 May 2, 2018 on our consideration of the District'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 District's internal control over financial reporting and compliance.



Pat McCarthy

State Auditor

Olympia, WA

May 2, 2018

FINANCIAL SECTION

**North Highline Fire District
King County
January 1, 2016 through December 31, 2016**

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2016
Notes to Financial Statements – 2016

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2016

North Highline Fire District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		Total for All Funds (Memo Only)	001 EXPENSE FUND 10 011 001 0	200 GO BOND FUND	201 LTD TAX BOND FUND 10 011 8400
Beginning Cash and Investments					
30810	Reserved	78,465	-	74,182	-
30880	Unreserved	2,769,927	2,769,927	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	2,040,178	1,962,700	207	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	9,569	9,559	-	-
340	Charges for Goods and Services	3,718,581	3,718,581	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	25,586	24,803	585	-
Total Revenues:		5,793,913	5,715,643	792	-
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	5,260,848	5,260,092	3	725
Total Expenditures:		5,260,848	5,260,092	3	725
Excess (Deficiency) Revenues over Expenditures:		533,065	455,551	789	(725)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	1,865,649	1,765,751	-	99,898
385	Special or Extraordinary Items	10,326	10,326	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		1,875,975	1,776,077	-	99,898
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	99,173	-	-	99,173
597	Transfers-Out	1,865,649	1,788,391	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
Total Other Decreases in Fund Resources:		1,964,821	1,788,391	-	99,173
Increase (Decrease) in Cash and Investments:		444,219	443,237	789	1
Ending Cash and Investments					
5081000	Reserved	79,447	-	74,972	-
5088000	Unreserved	3,213,164	3,213,164	-	-
Total Ending Cash and Investments		3,292,611	3,213,164	74,972	-

The accompanying notes are an integral part of this statement.

North Highline Fire District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		202 GO BOND FUND - BURIEN	203 LTD TAX BOND FUND - BURIEN
Beginning Cash and Investments			
30810	Reserved	4,241	42
30880	Unreserved	-	-
388 / 588	Prior Period Adjustments, Net	-	-
Revenues			
310	Taxes	17	77,253
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	10
340	Charges for Goods and Services	-	-
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	33	165
Total Revenues:		50	77,428
Expenditures			
510	General Government	-	-
520	Public Safety	-	27
Total Expenditures:		-	27
Excess (Deficiency) Revenues over Expenditures:		50	77,401
Other Increases in Fund Resources			
391-393, 596	Debt Proceeds	-	-
397	Transfers-In	-	-
385	Special or Extraordinary Items	-	-
386 / 389	Custodial Activities	-	-
381, 395, 398	Other Resources	-	-
Total Other Increases in Fund Resources:		-	-
Other Decreases in Fund Resources			
594-595	Capital Expenditures	-	-
591-593, 599	Debt Service	-	-
597	Transfers-Out	-	77,258
585	Special or Extraordinary Items	-	-
586 / 589	Custodial Activities	-	-
Total Other Decreases in Fund Resources:		-	77,258
Increase (Decrease) in Cash and Investments:		50	143
Ending Cash and Investments			
5081000	Reserved	4,291	185
5088000	Unreserved	-	-
Total Ending Cash and Investments		4,291	185

NOTES TO FINANCIAL STATEMENT*For the Year Ended December 31, 2016*

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

North Highline Fire District is a special purpose government that provides fire and rescue services to the general public and is supported primarily through property taxes. The District was incorporated in 1941 and operates under Chapter 52 RCW and other laws of the state of Washington applicable to fire districts.

A. Fund Accounting

The accounts of the District 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 District's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the District:

GOVERNMENTAL FUND TYPES:**Expense 001: General (Current Expense) Fund**

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

Non Major 002: Reserve Fund

This fund contains money to be used in the event of an emergency situation, and it is rolled into the general fund for reporting purposes.

Non Major 003: Capital Fund

This fund was established for the acquisition or construction of all capital outlays, and it is rolled into the general fund for reporting purposes.

Non Major 004: Petty Cash & Advance Travel

These two accounts are rolled into the general fund for reporting purposes.

Debt 200: GO Bond Fund

This fund was established to receive levied taxes on the \$2.1 million general obligation bond, which was passed by the citizens of the District in November 2000. This is a reserved fund. Any residual monies remaining in the fund shall be used for acquisitions that reflect the initial intent of the bond.

Debt 201 LTD GO Bond Fund

This fund was established for the \$1,320,000 limited tax general obligation bond issued in December 2007. This is a reserved fund.

Debt 202: GO Bond (Burien) Fund

This fund was established to receive levied taxes on that portion of the \$2.1 million general obligation bond laying within the City of Burien as of the 2010 annexation effective date (per AGO No. 09). This is a reserved fund. Any residual monies remaining in the fund shall be used for acquisitions that reflect the initial intent of the bond.

NOTES TO FINANCIAL STATEMENT*For the Year Ended December 31, 2016***Debt 203 LT GO Bond (Burien) Fund**

This fund was established to receive levied taxes on that portion of the \$1,320,000 limited tax general obligation bond laying within the City of Burien as of the 2010 annexation effective date (per AGO 2006 No. 09). This is a reserved fund.

B. Basis of Accounting

North Highline Fire District reports financial activity using the revenue and expenditure classifications, statements and schedules contained in the Cash Basis Budgeting Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is an other 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.

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.

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.

C. Budgets

North Highline Fire District adopts annual budgets for its funds. The budget constitutes the legal authority for expenditures, and 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 follows:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:			
Expense Fund	6,130,545	5,260,092	870,453
Reserve Fund			
Capital Assets Fund	188,400		188,400
Fire Benefit Fee			
Petty Cash & Travel			
Total General Fund	6,318,945	5,260,092	1,058,853
GO Bond Fund	235,800	3	235,797
GO Bond Fund – Burien		4,291	-4,291
LTD Bond Fund	97,323	99,898	-2,575
LTD Bond Fund - Burien	59,038	77,285	-18,247

NOTES TO FINANCIAL STATEMENT*For the Year Ended December 31, 2016*

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 district's legislative body.

D. Cash & Investments

See Note 3 (Deposits and Investments).

E. Capital Assets

Capital assets are defined as a purchase over \$1,000 and have a useful life over one year and are recorded as capital expenditures when purchased.

F. Compensated Absences

Vacation pay may be accumulated up to 336 hours and is payable upon separation or retirement. There is no reportable vacation liability because vacation is not carried over to the next year. All vacation leave is either taken or sold back to the department prior to December 31 per union contract. Sick leave may accumulate up to 1500 hours. Upon separating or retirement employees receive payment for unused sick leave at a rate of 50% per Article 19.4.12.2 of the Collective Bargaining Agreement. The District's estimated liability for sick leave termination benefits on December 31, 2016 was \$465,851.

G. Long-Term Debt

See Note 4 (Debt Service Requirements).

NOTE 2 – PROPERTY TAXES

The county treasurer acts as an agent to collect property taxes 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 the District. Delinquent taxes are considered fully collectible because a lien affixes to the property after taxes are levied.

The District's regular levy for the year 2015 for collection in 2016 was \$1.00 per \$1,000 on an assessed valuation of \$1,521,124,129 for a total regular levy of \$1,521,124.

NOTE 3 – DEPOSITS AND INVESTMENTS

The District's investments are held by the county as its agent in the District's name. The District did not have any investments at year end.

NOTE 4 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Liabilities (09) provides a listing of the outstanding debt of the District and summarizes the District's debt transactions for year 2016.

NOTES TO FINANCIAL STATEMENT*For the Year Ended December 31, 2016*

In December 2007 the District issued \$1,320,000 in limited tax general obligation bonds pursuant to the provision of chapters 36.46 and 52.16 RCW. The bonds were issued to provide money to finance fire protection equipment and facilities to serve the District.

	Principal	Interest	Total
2017	\$ 60,000	\$ 36,833	\$ 96,833
2018	\$ 65,000	\$ 34,433	\$ 99,433
2019	\$ 65,000	\$ 31,768	\$ 96,768
2020	\$ 70,000	\$ 29,038	\$ 99,038
2021	\$ 75,000	\$ 26,063	\$ 101,063
2022	\$ 75,000	\$ 22,838	\$ 97,838
2023-2027	\$435,000	\$ 60,300	\$ 495,300
Total	\$845,000	\$241,273	\$1,086,273

The bonds will mature on December 1, 2027 at 4.50% interest, relieving the District's long-term debt at that time.

NOTE 5 – PENSION PLANS

Substantially all of the District's full-time and qualifying part-time employees participate in the LEOFF and PERS retirement plans administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing multiple-employer public employee defined benefit retirement systems.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

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

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

The District also participates in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF) administered by the State Board of Volunteer Fire Fighters and Reserve Officers. Detailed information about the plan is included in the State of Washington CAFR available from the Office of Financial Management website at www.ofm.wa.gov.

NOTES TO FINANCIAL STATEMENT*For the Year Ended December 31, 2016*

At June 30, 2016 (the measurement date of the plans), the District's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Allocation %	Liability (Asset)
PERS 1		\$ 0
PERS 1 UAAL	.00070500%	\$ 37,862
PERS 2 and 3	.00090500%	\$ 45,566
LEOFF 1	.022885%	\$ (235,781)
LEOFF 2	.083720%	\$ (486,941)
VFFRPF	.09%	\$ (15,828)

LEOFF 1 Plan:

The District also participates in LEOFF Plan 1, although there are no longer active members. The LEOFF Plan 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

LEOFF 2 Plan:

The District also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

NOTE 6 – OTHER DISCLOSURES

North Highline Fire District has a commitment to pay for post-employment benefits for employees that belong to LEOFF1. These benefits include medical, vision, nursing care, etc. Nine (9) retirees received benefits during the year 2016 and \$158,966 was paid out for those benefits.

The District also self-insures for unemployment compensation, and claims are paid as a budgeted item from the Expense Fund as necessary. If claims exceed the budgeted amount, they may be paid out of the District's Reserve Fund.

In an effort to stabilize the District's financial situation, the Board of Fire Commissioners authorized a fire benefit charge measure be placed on the August 2014 ballot. The measure passed, and the District started collecting a fire benefit charge in 2015.

North Highline Fire District continues to contract with King County Fire District 2 (Burien/Normandy Park Fire Department). The agreement calls for North Highline Fire District to provide fire and emergency services to a

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2016

portion of the city of Burien which lies in King County Fire District 2's jurisdiction. It also provides for sharing certain employees, including the King County Fire District 2 Fire Chief. While this contract is working well at the time, it is not a long-term solution and the future of the District is still uncertain.

The Boundary Review Board (BRB) has approved the City of Seattle to annex a small area of North Highline Fire District known as Area Q. A 10-year contract provides portion reimbursement for the lost revenue to North Highline Fire District. The City of Seattle is now apparently planning to place an annexation measure on either the 2017 or 2018 ballot to annex the remainder of the District.

**North Highline Fire District
Schedule of Liabilities
For the Year Ended December 31, 2016**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	LTD Bond	12/1/2027	905,000	-	60,000	845,000
	Total General Obligation Debt/Liabilities:		905,000	-	60,000	845,000
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Sick Leave Liability		449,909	15,942	-	465,851
264.30	Pension Liability		66,078	17,350	-	83,428
	Total Revenue and Other (non G.O.) Debt/Liabilities:		515,987	33,292	-	549,279
	Total Liabilities:		1,420,987	33,292	60,000	1,394,279

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	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov