



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Puget Sound Regional Fire Authority

For the period January 1, 2019 through December 31, 2020

Published March 31, 2022

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

March 31, 2022

Board of Directors
Puget Sound Regional Fire Authority
Kent, Washington

Report on Financial Statements

Please find attached our report on Puget Sound Regional Fire Authority's financial statements.

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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INDEPENDENT AUDITOR'S REPORT

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*

Puget Sound Regional Fire Authority January 1, 2019 through December 31, 2020

Board of Directors
Puget Sound Regional Fire Authority
Kent, 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 Puget Sound Regional Fire Authority, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated March 24, 2022.

We issued an unmodified opinion on the fair presentation of the Authority'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 Authority using accounting practices prescribed by state law 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.

As discussed in Note 10 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the Authority is unknown.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the Authority'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 Authority's financial statements are free from material misstatement, we performed tests of the Authority'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 Authority'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 Authority'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, reading "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

March 24, 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Puget Sound Regional Fire Authority January 1, 2019 through December 31, 2020

Board of Directors
Puget Sound Regional Fire Authority
Kent, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Puget Sound Regional Fire Authority, for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority'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 state law 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 audits. We conducted our audits 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 Authority'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 Authority'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, Puget Sound Regional Fire Authority has prepared these financial statements to meet the financial reporting requirements of state law 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 cash and investments of Puget Sound Regional Fire Authority, and its changes in cash and investments, for the years ended December 31, 2020 and 2019, 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 Authority 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 Puget Sound Regional Fire Authority, as of December 31, 2020 and 2019, or the changes in financial position or cash flows thereof for the years then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Matters of Emphasis

As discussed in Note 10 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the Authority is unknown. Our opinion is not modified with respect to this matter.

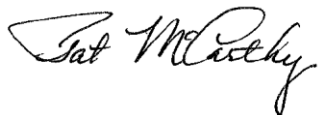
Other Matters

Supplementary and Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Schedules of Liabilities are presented for purpose 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 March 24, 2022 on our consideration of the Authority'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 Authority's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

March 24, 2022

FINANCIAL SECTION

Puget Sound Regional Fire Authority January 1, 2019 through December 31, 2020

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2020

Fund Resources and Uses Arising from Cash Transactions – 2019

Notes to Financial Statements – 2020

Notes to Financial Statements – 2019

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2020

Schedule of Liabilities – 2019

Puget Sound Regional Fire Authority
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		Total for All Funds (Memo Only)	001 General	101 Special Revenue	301 Capital Reserve
Beginning Cash and Investments					
308	Beginning Cash and Investments	20,802,392	14,221,248	5,508,552	120,542
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	26,615,280	26,615,280	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	4,673,214	2,821,578	1,851,636	-
340	Charges for Goods and Services	46,183,809	45,659,896	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,632,070	1,247,387	142,461	219,367
Total Revenues:		79,104,373	76,344,141	1,994,097	219,367
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	70,628,860	70,314,488	314,076	54
Total Expenditures:		70,628,860	70,314,488	314,076	54
Excess (Deficiency) Revenues over Expenditures:		8,475,513	6,029,653	1,680,021	219,313
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	2,136,327	-	-	2,136,327
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	101,108	77,731	-	11,157
Total Other Increases in Fund Resources:		2,237,435	77,731	-	2,147,484
Other Decreases in Fund Resources					
594-595	Capital Expenditures	1,775,592	-	-	1,774,538
591-593, 599	Debt Service	840,967	-	-	604,894
597	Transfers-Out	2,136,327	2,136,327	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	4,838	4,838	-	-
Total Other Decreases in Fund Resources:		4,757,724	2,141,165	-	2,379,432
Increase (Decrease) in Cash and Investments:		5,955,224	3,966,219	1,680,021	(12,635)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	7,188,572	-	7,188,572	-
50841	Committed	-	-	-	-
50851	Assigned	1,381,819	-	-	107,908
50891	Unassigned	18,187,467	18,187,467	-	-
Total Ending Cash and Investments		26,757,858	18,187,467	7,188,572	107,908

Puget Sound Regional Fire Authority
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		<u>302 Contract Capital Reserve</u>
Beginning Cash and Investments		
308	Beginning Cash and Investments	952,050
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	523,913
350	Fines and Penalties	-
360	Miscellaneous Revenues	22,855
Total Revenues:		<u>546,768</u>
Expenditures		
510	General Government	-
520	Public Safety	242
Total Expenditures:		<u>242</u>
Excess (Deficiency) Revenues over Expenditures:		546,526
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	12,220
Total Other Increases in Fund Resources:		<u>12,220</u>
Other Decreases in Fund Resources		
594-595	Capital Expenditures	1,054
591-593, 599	Debt Service	236,073
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		<u>237,127</u>
Increase (Decrease) in Cash and Investments:		321,619
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	1,273,911
50891	Unassigned	-
Total Ending Cash and Investments		<u>1,273,911</u>

Puget Sound Regional Fire Authority
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2019

		Total for All Funds (Memo Only)	001 General	101 Special Revenue	301 Capital Reserve
Beginning Cash and Investments					
30810	Reserved	3,652,241	14	3,394,716	(466,949)
30880	Unreserved	11,663,108	11,663,108	-	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	17,231,953	17,231,953	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	5,109,738	1,986,642	3,123,096	-
340	Charges for Goods and Services	53,523,944	53,011,121	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	951,581	777,596	86,217	71,539
Total Revenues:		76,817,216	73,007,312	3,209,313	71,539
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	69,046,201	68,150,055	895,811	90
Total Expenditures:		69,046,201	68,150,055	895,811	90
Excess (Deficiency) Revenues over Expenditures:		7,771,015	4,857,257	2,313,502	71,449
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	2,588,704	-	-	2,588,704
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	136,103	136,103	-	-
381, 382, 395, 398	Other Resources	164,016	81,400	-	82,616
Total Other Increases in Fund Resources:		2,888,823	217,503	-	2,671,320
Other Decreases in Fund Resources					
594-595	Capital Expenditures	2,456,495	-	-	2,155,278
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	2,588,704	2,389,038	199,666	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	127,596	127,596	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		5,172,795	2,516,634	199,666	2,155,278
Increase (Decrease) in Cash and Investments:		5,487,043	2,558,126	2,113,836	587,491
Ending Cash and Investments					
5081000	Reserved	6,581,145	-	5,508,552	120,543
5088000	Unreserved	14,221,248	14,221,248	-	-
Total Ending Cash and Investments		20,802,393	14,221,248	5,508,552	120,543

Puget Sound Regional Fire Authority
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2019

		<u>302 Contract Capital Reserve</u>
Beginning Cash and Investments		
30810	Reserved	724,460
30880	Unreserved	-
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	512,823
350	Fines and Penalties	-
360	Miscellaneous Revenues	16,229
Total Revenues:		<u>529,052</u>
Expenditures		
510	General Government	-
520	Public Safety	245
Total Expenditures:		<u>245</u>
Excess (Deficiency) Revenues over Expenditures:		<u>528,807</u>
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
386 / 389	Custodial Activities	-
381, 382, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		<u>-</u>
Other Decreases in Fund Resources		
594-595	Capital Expenditures	301,217
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	-
581, 582	Other Uses	-
Total Other Decreases in Fund Resources:		<u>301,217</u>
Increase (Decrease) in Cash and Investments:		<u>227,590</u>
Ending Cash and Investments		
5081000	Reserved	952,050
5088000	Unreserved	-
Total Ending Cash and Investments		<u>952,050</u>

Puget Sound Regional Fire Authority
(formerly Kent Fire Department Regional Fire Authority)
Notes to the Financial Statements
For the year ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies

The Puget Sound Regional Fire Authority was incorporated on July 1, 2010 and operates under the laws of the state of Washington applicable to a regional fire authority. The Puget Sound Regional Fire Authority (PSRFA) is a special purpose local government and provides fire protection and medical emergency response services to the general public and is supported primarily through property taxes and a benefit charge.

PSRFA 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 total column is presented as "memo only" because any interfund activities are not eliminated. 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.

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.

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.

Governmental Accounting Standards Board (GASB) Statements 83 and 84 were reviewed for implementation in 2020. It was determined that the PSRFA had no Asset Retirement Obligations or any fiduciary activities that fell under the new pronouncements.

C. Cash and Investments

See Note 2, *Deposits and Investments*.

D. 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. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

The table below summarizes PSRFA's current policies regarding time off accrual limits and cash-out of accruals upon separation or retirement:

	VACATION		SICK LEAVE	
	Accrual Limit	Payout	Accrual Limit	Payout
Uniformed Personnel 24hrs. Shift	792 hrs.	100%	1440 hrs.	25%
Uniformed Personnel Day Shift	457 hrs.	100%	960 hrs.	25%
Civilian	240 hrs.	100%	1040 hrs.	20%

F. Long-Term Debt

See Note 5, *Debt Service Requirements*.

Note 2 – Budgets

PSRFA Governance Board adopts annual appropriated budgets for General and Capital Reserve funds. These budgets are appropriated at the fund level except the general fund, where the budget is adopted at the department 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 initial budget for 2020 was adopted by the PSRFA Governance Board on 11/06/2019.

2020 appropriated and actual expenditures for the legally adopted budgets:

	Final Appropriated \$	Actual Expenditures \$	Variance
Administration	\$5,018,609	\$4,248,616	\$769,993
CARES	\$1,475,388	\$1,505,499	(\$30,111)
Emergency Management	\$1,039,004	894,031	\$144,973
Facilities Management	\$3,650,976	\$2,971,779	\$679,197
Fleet Management	\$5,396,505	\$4,785,570	\$610,935
Human Resources	\$982,966	\$1,023,001	(\$40,035)
Information Technology	\$2,328,299	\$2,351,783	(\$23,484)
Support Services / Logistics	\$1,351,516	\$1,212,548	\$138,968
Operations	\$45,338,898	\$44,203,552	\$1,135,346
Fire Prevention	\$4,042,961	\$3,554,372	\$488,589
Strategic Planning / Pub Ed	\$622,290	\$556,832	\$65,458
Training	\$2,892,944	\$3,034,949	(\$142,005)
Total General Fund excluding Transfers	\$74,140,356	\$70,342,532	\$3,797,824
	-		
<i>Interfund Transfer</i>	\$4,497,964	\$2,136,327	\$2,361,637
Total General Fund Including Transfers	\$78,638,320	\$72,478,859	\$6,159,461
Capital	\$5,948,206	\$2,326,770	\$3,621,436
Contract Capital Reserve	\$353,944	\$236,448	\$117,496

Budgeted amounts are authorized to be transferred between departments within any fund; 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 PSRFA legislative body.

Note 3 – Deposits and Investments

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

Investments are reported at fair value. Deposits and Investments by type at December 31, 2020 are as follows:

Type of Deposits or Investment	Puget Sound RFA Investments	Deposits and Investments held by King County as a custodian for other local governments, individuals or private organizations	Total
Bank Deposits			
L.G.I.P			
U.S. Government Securities			
King County Investment Pool		\$26,758,014	\$26,758,014
Total		\$26,758,014	\$26,758,014

Investments in (county investment pool)

The PSRFA is a voluntary participant in the King County Investment Pool, an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The PSRFA reports its investment in the pool at fair value, which is the same as the value of the pool per share. The LGIP does not disclose any liquidity fees or redemption gates.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the PSRFA would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The PSRFA's deposits are covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the PSRFA or its agent in the government's name.

Note 4 - Property Tax

The King 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 King County and credited to PSRFA. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

PSRFA's regular levy for the year 2020 was \$1.00 per \$1,000 on an assessed valuation of \$26,796,976,210 for a total regular levy of \$26,796.97.

Note 5 – Debt Service Requirements

Debt Service

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of PSRFA and summarizes PSRFA's debt transactions for year ended December 31, 2019.

The debt service requirements for general obligation debt is as follows:

Year	Principal	Interest	Total
2021	\$159,200.54	\$12,419.08	\$171,619.62
2022	\$160,572.55	\$11,047.07	\$171,619.62
2023	\$161,992.59	\$9,627.03	\$171,619.62
2024	\$163,462.33	\$8,157.29	\$171,619.62
2025	\$164,983.52	\$6,636.10	\$171,619.62
2026-2028	\$144,619.44	\$10,239.42	\$154,858.86

Assets Pledged as Collateral for Debt

The following debt is secured by assets that are pledged as collateral:

Debt	Asset
Silvestri Land Acquisition	Silvestri Land, Address:

Note 6 – Pension Plans

A. State Sponsored Pension Plans

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

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
P.O. Box 48380
Olympia, WA 98540-8380

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

PSRFA also participates in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension

Fund (VFFRPF) administered by the State Board for 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.

At June 30, 2020 (the measurement date of the plans), the PSRFA's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$309,219.87	0.042666%	\$1,506,340
PERS 2/3	\$512,077.30	0.055586%	\$710,913
LEOFF 1		0.005635%	(\$106,417)
LEOFF 2	\$1,929,037.16	0.986114%	(\$20,115,286)

LEOFF Plan 1

The PSRFA participates in LEOFF Plan 1. 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 Plan 2

The PSRFA 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 7 – OPEB Plans

The PSRFA contributes \$900 per month for an individual HRA VEBA account upon employee retirement. The contribution is solely used to reimburse the cost of qualified medical expenses including health insurance premiums for the employee from the time of retirement from the RFA until the employee reaches Medicare age. Only LEOFF2 employees are eligible for this program. The plan is administered by BPAS and was determined to be a defined benefit plan within the provisions of Statement No. 75 of the Governmental Accounting Standards Board (GASB). There are 45 retired plan participants and 254 active employees who may be eligible upon retirement. The RFA contributed \$653,262 to the plan in 2020 and the total liability for the plan on December 31, 2020 was \$6,303,009. A copy of the Actuarial Valuation is available upon request.

Note 8 – Risk Management

The PSRFA maintains insurance against most normal hazards and general liability claims. The policies include coverage for property, liability, auto, pollution and errors and omissions.

The most recent renewal of coverage is effective December 1, 2019 through December 1, 2020. A summary of coverage limits and deductibles are as follows:

The PSRFA's industrial insurance is provided by Washington State and is administered by the

Department of Labor and Industries. The premium is calculated by computing a rate per hour for the total worker hours, based on the rate assigned to the business risk classification. All part-time and full-time staff members pay \$3.92 per pay period toward industrial insurance.

Unemployment compensation is managed through the Washington state system, which provides some compensation to workers who are temporarily and involuntarily unemployed. It is administered in Washington State by the Employment Security Department in accordance with the provisions of the Employment Security Act. The RFA's employer status for unemployment insurance is as a "reimbursable" employer.

PSRFA partners with the Northwest Fire Fighters Benefits Trust (NWFFT) to offer a comprehensive benefits package to our employees and their families. The RFA uses a health and welfare consultant through Gallagher to make sure we are providing the best values for health, dental and vision insurance to both the organization and to our employees.

There are two plans offered through NWFFT for health insurance: 1) Preferred Provider Organization Plan, and 2) High Deductible with a Health Reimbursement plan. The PSRFA has established Health Reimbursement Accounts for each active employee who chooses the High Deductible plan (HRA). In 2020 the RFA funded distributions of \$740,000 to the HRA VEBA accounts. The distributions to individual employee accounts become the property of each employee and the RFA expensed the funds at the time they were distributed.

Dental benefits are provided through Delta Dental and Vision benefits are provided through Vision Service Plan (VSP).

Costs of health insurance through the NWFFT in 2020 were \$8,674,750, which includes dental premiums of \$551,364. This cost of premiums is based on our claims experience with NWFFT.

Note 9 - Other Disclosures

PSRFA (formerly the Kent Fire Department Regional Fire Authority) was formed in response to an election dated April 27, 2010 which approved the joining of the City of Kent Fire Department and King County Fire District #37. PSRFA provides fire prevention, fire investigation, and emergency management services for the City of Kent under a contract for service. These agreements are reviewed and renewed annually. Through these agreements, in 2020 the PSRFA received \$3,002,112.00 from the City of Kent. PSRFA completed the build of IT infrastructure and ended its dependence on the City of Kent for IT services during 2019.

In September 2013, an agreement to provide emergency services was signed with the City of SeaTac. PSRFA has been providing emergency services, fire prevention, fire investigation, and emergency management to the City of SeaTac since January 1, 2014. Fifty firefighters were transferred to PSRFA at that time to provide these services. This agreement is reviewed every two years. PSRFA invoices the City of SeaTac for suppression and emergency management services it provides (\$10,877,944 in 2020), and the City of SeaTac is billing PSRFA for facilities services (\$102,571.33 in 2020).

In 2017, PSRFA ended providing a self-insured health insurance program and contracted with a private insurance company to provide health insurance to employees.

In 2018, PSRFA entered into an agreement with District 43 (Maple Valley). PSRFA is providing emergency services, fire prevention, fire investigation, public education and emergency management (along with administrative, IT and logistic services) on behalf of District 43. This agreement is reviewed every two years. Forty-eight personnel from Maple Valley joined PSRFA. The District's employees became PSRFA employees, with their accrued vacation and sick leave balances carried over to PSRFA. PSRFA invoices King County Fire District #43 for these services (\$\$6,945,190.05 in 2020).

Note 10 – COVID-19 Pandemic

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The PSRFA took financial precautions during the pandemic. We immediately reviewed our Capital Expenditure plan and delayed any capital expenditures to 2021 that could be postponed. We asked all Divisions to review expenditures and limit to those absolutely necessary to the operations of the PSRFA. The length of time these measures will continue to be in place, and the full extent of the financial impact on the PSRFA is unknown at this time.

Puget Sound Regional Fire Authority
(formerly Kent Fire Department Regional Fire Authority)
Notes to the Financial Statements
For the year ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies

The Puget Sound Regional Fire Authority was incorporated on July 1, 2010 and operates under the laws of the state of Washington applicable to a regional fire authority. The Puget Sound Regional Fire Authority (PSRFA) is a special purpose local government and provides fire protection and medical emergency response services to the general public and is supported primarily through property taxes and a benefit charge.

PSRFA 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 total column is presented as "memo only" because any interfund activities are not eliminated. 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.

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.

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.

Governmental Accounting Standards Board (GASB) Statement 75, Accounting and Reporting for OPEB, was implemented in 2019. See Note 6 for information on Post Employment Benefit Plans.

C. Cash and Investments

See Note 2, *Deposits and Investments*.

D. 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. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

The table below summarizes PSRFA's current policies regarding time off accrual limits and cash-out of accruals upon separation or retirement:

	VACATION		SICK LEAVE	
	Accrual Limit	Payout	Accrual Limit	Payout
Uniformed Personnel 24hrs. Shift	792 hrs.	100%	1440 hrs.	25%
Uniformed Personnel Day Shift	457 hrs.	100%	960 hrs.	25%
Civilian	240 hrs.	100%	1040 hrs.	20%

F. Long-Term Debt

See Note 5, *Debt Service Requirements*.

Note 2 – Budgets

PSRFA Governance Board adopts annual appropriated budgets for General and Capital Reserve funds. These budgets are appropriated at the fund level except the general fund, where the

budget is adopted at the department 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 initial budget for 2019 was adopted by the PSRFA Governance Board on 11/07/2018.

2019 appropriated and actual expenditures for the legally adopted budgets:

	Final Appropriated \$	Actual Expenditures \$	Variance
Administration	\$6,180,792	\$6,220,068	(\$39,276)
CARES	\$1,823,400	\$1,309,855	\$513,545
Emergency Management	\$843,578	821,198	\$22,380
Facilities Management	\$3,615,937	\$3,237,709	\$378,228
Fleet Management	\$3,894,638	\$3,626,559	\$268,079
Information Technology	\$2,111,734	\$2,166,729	(\$54,995)
Support Services / Logistics	\$1,576,759	\$1,173,989	\$402,770
Operations	\$41,739,496	\$42,375,204	(\$635,708)
Fire Prevention	\$3,354,243	\$3,577,039	(\$222,796)
Strategic Planning / Pub Ed	\$615,542	\$597,903	\$17,639
Training	\$2,553,250	\$3,171,396	(\$618,146)
Total General Fund excluding Transfers	\$68,309,369	\$68,277,649	\$31,720
	-		
<i>Interfund Transfer</i>	- \$1,947,000	\$2,389,038	(\$442,038)
Total General Fund Including Transfers	\$70,256,369	\$70,666,687	(\$410,318)
Capital	\$1,947,000	\$2,083,827	\$(136,827)
Contract Capital Reserve	\$517,300	\$301,462	\$215,838

Budgeted amounts are authorized to be transferred between departments within any fund; 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 PSRFA legislative body.

Note 3 – Deposits and Investments

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

Type of Deposits or Investment	Puget Sound RFA Investments	Deposits and Investments held by King County as a custodian for other local governments, individuals or private organizations	Total
Bank Deposits			
L.G.I.P			
U.S. Government Securities			
King County Investment Pool		\$20,802,397	\$20,802,397
Total		\$20,802,397	\$20,802,397

Investments are reported at fair value. Deposits and Investments by type at December 31, 2019 are as follows:

Investments in (county investment pool)

The PSRFA is a voluntary participant in the King County Investment Pool, an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The PSRFA reports its investment in the pool at fair value, which is the same as the value of the pool per share. The LGIP does not disclose any liquidity fees or redemption gates.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the PSRFA would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The PSRFA's deposits are covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the PSRFA or its agent in the government's name.

Note 4 - Property Tax

The King 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 King County and credited to PSRFA. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

PSRFA's regular levy for the year 2019 was \$0.70678 per \$1,000 on an assessed valuation of \$24,427,481,454 for a total regular levy of \$17,264.841.

Note 5 – Debt Service Requirements

Debt Service

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of PSRFA and summarizes PSRFA's debt transactions for year ended December 31, 2019.

The debt service requirements for general obligation debt is as follows:

Year	Principal	Interest	Total
2020	\$630,018.91	\$29,887.20	\$659,906.11
2021	\$159,200.54	\$12,419.08	\$171,619.62
2022	\$160,572.55	\$11,047.07	\$171,619.62
2023	\$161,992.59	\$9,627.03	\$171,619.62
2024	\$163,462.33	\$8,157.29	\$171,619.62
2025-2028	\$309,602.96	\$16,875.52	\$326,478.48

Assets Pledged as Collateral for Debt

The following debt is secured by assets that are pledged as collateral:

Debt	Asset
Silvestri Land Acquisition	Silvestri Land, Address:
PNC Equipment Finance, LLC	2018 Pierce Enforcer, App 779
PNC Equipment Finance, LLC	2018 Pierce Enforcer, App 780

Note 6 – Pension Plans

A. State Sponsored Pension Plans

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

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At June 30, 2019 (the measurement date of the plans), the PSRFA's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1		0.037952%	\$1,459,389
PERS 2/3	\$714,654	0.048954%	\$475,510
LEOFF 1		0.005514%	(\$108,990)
LEOFF 2	\$1,956,092	1.016403%	(\$23,546,937)

LEOFF Plan 1

The PSRFA participates in LEOFF Plan 1. 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 Plan 2

The PSRFA 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.

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The PSRFA contributes \$900 per month for an individual HRA VEBA account upon employee retirement. The contribution is solely used to reimburse the cost of qualified medical expenses including health insurance premiums for the employee from the time of retirement from the RFA until the employee reaches Medicare age. Only LEOFF2 employees are eligible for this program. The plan is administered by BPAS and was determined to be a defined benefit plan within the provisions of Statement No. 75 of the Governmental Accounting Standards Board (GASB). There are 45 retired plan participants and 254 active employees who may be eligible upon retirement. The RFA contributed \$576,614 to the plan in 2019 and the total liability for the plan on December 31, 2019 was \$6,081,848. A copy of the Actuarial Valuation is available upon request.

Note 8 – Risk Management

The PSRFA maintains insurance against most normal hazards and general liability claims. The policies include coverage for property, liability, auto, pollution and errors and omissions.

The most recent renewal of coverage is effective December 1, 2018 through December 1, 2019. A summary of coverage limits and deductibles are as follows:

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Unemployment compensation is managed through the Washington state system, which provides some compensation to workers who are temporarily and involuntarily unemployed. It is administered in Washington State by the Employment Security Department in accordance with the provisions of the Employment Security Act. The RFA's employer status for unemployment insurance is as a "reimbursable" employer.

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Dental benefits are provided through Delta Dental and Vision benefits are provided through Vision Service Plan (VSP).

Costs of health insurance through the NWFFT in 2019 were \$7,544,380. This cost of premiums is based on our claims experience with NWFFT.

Note 9 - Other Disclosures

PSRFA (formerly the Kent Fire Department Regional Fire Authority) was formed in response to an election dated April 27, 2010 which approved the joining of the City of Kent Fire Department and King County Fire District #37. PSRFA provides fire prevention, fire investigation, and emergency management services for the City of Kent under a contract for service. The City of Kent provides information technology services to PSRFA. These agreements are reviewed and renewed annually. Through these agreements, in 2019 the PSRFA received \$3,167,151 from the City of Kent and paid \$498,031 to the city. PSRFA completed the build of IT infrastructure and ended its dependence on the City of Kent for IT services during 2019.

In September 2013, an agreement to provide emergency services was signed with the City of

SeaTac. PSRFA has been providing emergency services, fire prevention, fire investigation, and emergency management to the City of SeaTac since January 1, 2014. Fifty firefighters were transferred to PSRFA at that time to provide these services. This agreement is reviewed every two years. PSRFA invoices the City of SeaTac for suppression and emergency management services it provides (\$7,852,268 in 2019), and the City of SeaTac is billing PSRFA for facilities services, and for their portion of the EMS levy that PSRFA is passing through to the city (\$584,917 in 2019).

In 2017, PSRFA ended providing a self-insured health insurance program and contracted with a private insurance company to provide health insurance to employees.

In 2018, PSRFA entered into an agreement with District 43 (Maple Valley). PSRFA is providing emergency services, fire prevention, fire investigation, public education and emergency management (along with administrative, IT and logistic services) on behalf of District 43. This agreement is reviewed every two years. Forty-eight personnel from Maple Valley joined PSRFA. The District's employees became PSRFA employees, with their accrued vacation and sick leave balances carried over to PSRFA. PSRFA invoices King County Fire District #43 for these services (\$10,957,142 in 2019).

Note 10 – COVID-19 Pandemic

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The PSRFA took financial precautions during the pandemic. We immediately reviewed our Capital Expenditure plan and delayed any capital expenditures to 2021 that could be postponed. We asked all Divisions to review expenditures and limit to those absolutely necessary to the operations of the PSRFA. The length of time these measures will continue to be in place, and the full extent of the financial impact on the PSRFA is unknown at this time.

**Puget Sound Regional Fire Authority
Schedule of Liabilities
For the Year Ended December 31, 2020**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.91	Silvestri Land Acquisition	10/18/2028	392,706	-	37,875	354,831
263.85	72nd Ave S Extension	4/8/2025	720,000	-	120,000	600,000
263.51	2018 Pierce Enforcer App 779	5/25/2020	236,072	-	236,072	-
263.51	2018 Pierce Enforcer App 780	5/25/2020	236,072	-	236,072	-
Total General Obligation Debt/Liabilities:			1,584,850	-	630,019	954,831
Revenue and Other (non G.O.) Debt/Liabilities						
264.30	Net Pension Liabilities		1,934,899	282,354	-	2,217,253
264.40	OPEB Liabilities		6,081,848	221,161	-	6,303,009
259.12	Compensated Absences		6,470,421	8,127,660	7,042,256	7,555,825
Total Revenue and Other (non G.O.) Debt/Liabilities:			14,487,168	8,631,175	7,042,256	16,076,087
Total Liabilities:			16,072,018	8,631,175	7,672,275	17,030,918

**Puget Sound Regional Fire Authority
Schedule of Liabilities
For the Year Ended December 31, 2019**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.91	Silvestri Land Acquisition	10/18/2028	429,300	-	36,594	392,706
263.51	2018 Pierce Enforcer App 779	5/25/2020	448,207	-	212,135	236,072
263.51	2018 Pierce Enforcer App 780	5/25/2020	448,207	-	212,135	236,072
263.85	72nd Ave S Extension	4/8/2025	840,000	-	120,000	720,000
263.51	2015 Pierce Pumper - App 771	4/27/2019	158,475	-	158,475	-
Total General Obligation Debt/Liabilities:			2,324,189	-	739,339	1,584,850
Revenue and Other (non G.O.) Debt/Liabilities						
264.30	Net Pension Liabilities		2,071,899	-	137,000	1,934,899
264.40	OPEB Liabilities		-	6,081,848	-	6,081,848
259.12	Compensated Absences		7,239,892	5,478,911	6,248,382	6,470,421
Total Revenue and Other (non G.O.) Debt/Liabilities:			9,311,791	11,560,759	6,385,382	14,487,168
Total Liabilities:			11,635,980	11,560,759	7,124,721	16,072,018

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

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Other ways to stay in touch

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- Toll-free Citizen Hotline:
(866) 902-3900
- Email:
webmaster@sao.wa.gov