



Office of the Washington State Auditor  
Pat McCarthy

# **Financial Statements Audit Report**

## **Multi Agency Communications Center**

### **(Multi Agency Communications Center)**

**For the period January 1, 2022 through December 31, 2023**

*Published February 13, 2025*

Report No. 1036601



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

February 13, 2025

Board of Directors  
Multi Agency Communications Center  
Moses Lake, Washington

**Report on Financial Statements**

Please find attached our report on Multi Agency Communications Center's financial statements.

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

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

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## SCHEDULE OF AUDIT FINDINGS AND RESPONSES

### **Multi Agency Communications Center January 1, 2022 through December 31, 2023**

#### **2023-001 The Center did not have adequate internal controls ensuring accurate and reliable reporting of its financial statements.**

##### ***Background***

State and federal agencies, the Center and the public rely on information included in financial statements and reports to make decisions. Center management is responsible for designing and following internal controls that provide reasonable assurance financial statements are complete and reliable. The Center prepares financial statements using the cash-basis accounting method prescribed in the *Budgeting, Accounting and Reporting System (BARS) Manual*.

Beginning with the 2023 fiscal year, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, which introduced new accounting requirements for subscription-based information technology arrangements (SBITA). A SBITA is a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. These contracts are evaluated and reported if they meet certain criteria defining them as a long-term obligation.

Our audit found significant deficiencies in internal controls over accounting and financial reporting that affected the Center's ability to produce reliable financial statements. *Government Auditing Standards* requires our Office to communicate significant deficiencies as a finding.

##### ***Description of Condition***

Our audit found deficiencies in the Center's internal controls over financial reporting that, when taken together, represent a significant deficiency.

Specifically, the Center had a process for evaluating agreements related to SBITAs. However, it did not properly implement new BARS Manual changes related to SBITAs, to ensure reported liabilities were accurate and complete. Also, the Center's review process was not effective to ensure these liabilities were reported accurately before submitting the financial statements and schedules for audit.

### ***Cause of Condition***

The Center did not dedicate sufficient time or resources to researching the new changes and ensuring its calculations were correct.

### ***Effect of Condition***

We identified the Center did not report all corresponding SBITA liabilities in its financial statements and notes. As a result, the Center underreported its subscription liability on the 2023 Schedule of Liabilities by \$789,176.

The Center subsequently corrected this error in the final financial statements.

### ***Recommendation***

We recommend the Center:

- Adequately research new BARS reporting requirements to ensure it implements them correctly in the year they are applicable
- Strengthen its review process over the annual financial report to include a review for any newly implemented reporting requirements

### ***Center's Response***

*The Agency is aware of the BARS reporting requirements and has done multiple trainings on the subject. This was an error in the notes which has been corrected.*

*The Agency currently has an outside CPA review of the annual financial report.*

*We would add that as a cash basis entity, our income is recognized when cash is actually received, and our expenses are recorded when they are actually paid. While GASB Statement No. 96 requires the recording of liabilities for cash basis entities, the assets or receivables associated with liabilities are not recorded. Thus, the fact that the agencies we serve are responsible for paying 50% of the Computer Aided Dispatch (CAD) subscription liability it is not reported and is not required to be reported. While the audit finds that the Multi Agency Communications Center (MACC) underreported the CAD subscription liability by \$796,176 – which we have subsequently corrected – it is important to note that, for any entity relying on information included in our financial statements and reports to make decisions, that amount is twice the actual liability when factoring in assets and receivables, as explained above.*

### *Auditor's Remarks*

We appreciate the Agency's commitment to resolving this finding and thank the Agency for its cooperation and assistance during the audit.

### *Applicable Laws and Regulations*

Government Auditing Standards, July 2018 Revision, paragraphs 6.40 and 6.41 establish reporting requirements related to significant deficiencies or material weaknesses in internal control, instances of fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its Codification of Statements on Auditing Standards, section 265, Communicating Internal Control Related Matters Identified in an Audit, paragraph 7.

RCW 43.09.200 Local government accounting – Uniform system of accounting, requires the State Auditor to prescribe the system of accounting and reporting for all local governments

Budgeting, Accounting and Reporting System (BARS) Manual, 3.1.3, Internal Control, requires each local government to establish and maintain an effective system of internal controls that provides reasonable assurance that the government will achieve its objectives.

Budgeting, Accounting and Reporting System (BARS) Manual, 3.4.21, Subscription-Based Information Technology Arrangement (SBITA).

## 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*

#### **Multi Agency Communications Center January 1, 2022 through December 31, 2023**

Board of Directors  
Multi Agency Communications Center  
Moses Lake, 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 Multi Agency Communications Center, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Center's financial statements, and have issued our report thereon dated February 7, 2025.

We issued an unmodified opinion on the fair presentation of the Center'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 Center 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.

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audits of the financial statements, we considered the Center's internal control over financial reporting (internal control) as a basis for designing 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 Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 Center’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 above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified certain deficiencies in internal control, described in the accompanying Schedule of Audit Findings and Responses as Finding 2023-001, that we consider to be a significant deficiency.

## **REPORT ON COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the Center’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

## **CENTER’S RESPONSE TO FINDINGS**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Center’s response to the findings identified in our audit and described in the accompanying Schedule of Audit Findings and Responses. The Center’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.



## 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 Center'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 Center'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, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

February 7, 2025

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **Multi Agency Communications Center January 1, 2022 through December 31, 2023**

Board of Directors  
Multi Agency Communications Center  
Moses Lake, Washington

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Unmodified and Adverse Opinions**

We have audited the financial statements of Multi Agency Communications Center, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, as listed in the financial section of our report.

### **Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)**

As described in Note 1, the Center has prepared these financial statements to meet the financial reporting requirements of state law and 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 accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of Multi Agency Communications Center, and its changes in cash and investments, for the years ended December 31, 2023 and 2022, on the basis of accounting described in Note 1.

### **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 Multi Agency Communications Center, as of December 31, 2023 and 2022, or the changes in financial position or cash flows thereof for the years then ended, because of the significance of the matter discussed below.

## **Basis for Unmodified and Adverse Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

## **Matter Giving Rise to 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. As described in Note 1 of the financial statements, the financial statements are prepared by the Center in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

## **Matters of Emphasis**

As discussed in Note 8 to the financial statements, in 2023, the Center adopted new accounting guidance for the presentation and disclosure of Subscription-Based Information Technology Arrangements as required by the BARS Manual. Our opinion is not modified with respect to this matter.

## **Responsibilities of Management 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 BARS Manual 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit 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 Center's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's financial statements. The Schedules of Liabilities are presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other

records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2025 on our consideration of the Center's internal control over financial reporting and on the 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 the effectiveness of the Center's 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 Center's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

February 7, 2025

## **FINANCIAL SECTION**

### **Multi Agency Communications Center January 1, 2022 through December 31, 2023**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2023

Fund Resources and Uses Arising from Cash Transactions – 2022

Notes to Financial Statements – 2023

Notes to Financial Statements – 2022

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2023

Schedule of Liabilities – 2022

**Multi Agency Communications Center  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2023**

**Beginning Cash and Investments**

308	Beginning Cash and Investments	1,785,613
388 / 588	Net Adjustments	-

**Revenues**

310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	1,556,156
340	Charges for Goods and Services	2,862,301
350	Fines and Penalties	-
360	Miscellaneous Revenues	144,387
Total Revenues:		<u>4,562,844</u>

**Expenditures**

510	General Government	-
520	Public Safety	3,893,542
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		<u>3,893,542</u>
Excess (Deficiency) Revenues over Expenditures:		<u>669,302</u>

**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	-
Total Other Increases in Fund Resources:		<u>-</u>

**Other Decreases in Fund Resources**

594-595	Capital Expenditures	105,563
591-593, 599	Debt Service	462,567
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		<u>568,130</u>

**Increase (Decrease) in Cash and Investments: 101,172**

**Ending Cash and Investments**

50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	-
50891	Unassigned	1,886,781
Total Ending Cash and Investments		<u>1,886,781</u>

*The accompanying notes are an integral part of this statement.*

**Multi Agency Communications Center  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2022**

**Beginning Cash and Investments**

308	Beginning Cash and Investments	1,384,840
388 / 588	Net Adjustments	13,024

**Revenues**

310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	1,676,345
340	Charges for Goods and Services	2,675,459
350	Fines and Penalties	-
360	Miscellaneous Revenues	173,938
Total Revenues:		<u>4,525,742</u>

**Expenditures**

510	General Government	-
520	Public Safety	3,552,136
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		<u>3,552,136</u>
Excess (Deficiency) Revenues over Expenditures:		<u>973,606</u>

**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	-
Total Other Increases in Fund Resources:		<u>-</u>

**Other Decreases in Fund Resources**

594-595	Capital Expenditures	548,676
591-593, 599	Debt Service	37,178
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		<u>585,854</u>

**Increase (Decrease) in Cash and Investments:** **387,752**

**Ending Cash and Investments**

50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	-
50891	Unassigned	1,785,613
<b>Total Ending Cash and Investments</b>		<b><u>1,785,613</u></b>

*The accompanying notes are an integral part of this statement.*



**Multi Agency Communications Center**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

**Note 1 - Summary of Significant Accounting Policies**

The Multi Agency Communications Center was incorporated in January 1995 and operates under the laws of the state of Washington applicable to an Interlocal Agency. The district is a special purpose local government and provides 9-1-1 Emergency Dispatch Communications Services for the first responder agencies of Grant County.

The Multi Agency Communications Center 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 (see *Notes to 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 presented using classifications that are different from the ending net position classifications 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, except for fiduciary funds, which are presented by fund types. 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.

**Multi Agency Communications Center**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

**B. Basis of Accounting and Measurement Focus**

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

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

**C. Cash and Investments**

See Note 3 - *Deposits and Investments*.

**D. Capital Assets**

Capital assets are assets with an initial individual cost of more than \$550 and an estimated useful life in excess of 3 years. Capital assets and inventory are recorded as capital expenditures when purchased.

**E. Compensated Absences**

Vacation leave may be accumulated up to 240 hours and is payable upon separation or retirement. Sick leave may be accumulated 960 hours. Upon separation or retirement employees with ten or more years of service receive partial payment for unused sick leave. Payments are recognized as expenditures when paid.

MACC's Compensated Absences 12/31/23:
Annual Leave \$77,944.67
Comp Time=\$0
Sick Leave=\$35,841.26
Social Security/Medicare=\$ 8,704.62
PERS=\$ \$0
Total=\$ 122,490.56

**Note 2 - Budget Compliance**

The Multi Agency Communications Center adopts annual appropriated budgets for 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.

**Multi Agency Communications Center**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

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:

follows:

Fund	Final Appropriated Amounts	Actual Expenditures	Variance
General	\$ 6,809,878.35	\$ 4,461,673.50	\$ 2,348,204.85

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 Multi Agency Communications Center's Board of Directors.

The variance is due to two factors; the fact that the bond & interest payments are included in the MACC budget but are paid out of the sales tax fund 135 at Grant County. Grant County collects all taxes on behalf of MACC. (See Note 7.) The other factor is projects that were originally included in the budget but were not completed during the year.

There were two budget amendments:

- Resolution 02-2023-\$210,042
- Resolution 04-2023-\$420,400

**Note 3 – Deposits and Investments**

Investments are reported at amortized cost. Deposits and investments by type at December 31, 2023 are as follows:

Grant County General Pool	\$ 1,853,451.47
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**Multi Agency Communications Center**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

There is a discrepancy between the MACC 911 books ending balance and the Grant County Treasurer due to the treasurer closing books at 12/31/2023. MACC 911 processed December and a 13-month batch in January. These balances can be reconciled taken into account the timing differences.

Investments in county investment pool

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

The district is an involuntary participant in the Grant 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 county reports its investment in the pool at amortized cost, which is the same as the value of the pool per share. (The LGIP does not impose liquidity fees or redemption gates on participant withdrawals/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 district 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 district's deposits and certificates of deposit are mostly 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 district or its agent in the government's name.

**Note 4 – Leases**

The Multi Agency Communications Center has 13 long term tower leases. The towers hold the radio equipment necessary to communicate with the first responders in the field. The leases have a variety of terms, and most can be renegotiated for renewal. The first group of them start to expire in 2027. Total Lease Liability through the year 2034=\$351,116

2024	2025	2026	2027	2028
\$ 39,979	\$ 40,281	\$ 40,648	\$ 34,749	\$ 31,101
2029-2033			2034	
\$150,862			\$13,546	

**Multi Agency Communications Center**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

**Note 5 – Other Disclosures**

**Grant County Bonds**

Grant County issued 9.5 million dollars' worth of bonds on behalf of MACC in December 2010. The proceeds of the Bonds were used to pay for a portion of the costs of the electronics infrastructure and acquisition of public safety communications equipment for the Multi Agency Communications Center (MACC) and MACC facilities (the MACC projects) and paying the costs related to issuance of the bonds. MACC's 1/10th of 1% Emergency Communications Sales Tax is the pledge for repayment of the bonds.

The year end balances held by the Grant County Treasurer were as follows:

MACC Bond Reserve= \$880,779.01

MACC Radio System Bond= \$0.0

On January 5th 2017 Grant County refinanced the 2010 MACC Sales Tax/Limited Tax General Obligation Bonds for interest cost savings. The total net savings was \$711,438 and the average annual savings of \$50,817.

Grant County issued 7.5 million dollars' worth of bonds on behalf of MACC in December 2014. The proceeds of the Bonds were used for the purpose of building a new dispatch center. The 1/10th of 1% Emergency Communications Sales Tax is the pledge for repayment.

The year end balances held by the Grant County Treasurer were as follows:

MACC Bond Reserve II= \$301,350.18

MACC Construction Fund=\$0.0

It was determined during the 2016/2017 audit, the 2018/2019 and the 2020/2021 audits by the Washington State Auditor's Office that MACC has no responsibility to list these bond debts on their financial statements.

**Note 6 – Pension Plans**

**A. State Sponsored Pension Plans**

**Multi Agency Communications Center**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

Substantially all the district'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 PERS 2 & 3.

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 annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan.

Also, the DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://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 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](http://www.ofm.wa.gov).

At June 30, 2023 (the measurement date of the plans), the district's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1 UAAL	\$71,393	0.010477%	239,162
PERS 2/3	\$118,731	0.013504%	(553,486)

**Note 7 – Risk Management**

The Multi Agency Communications Center 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

**Multi Agency Communications Center**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 169 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 [1]. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to \$1 million and subject to member deductibles, sublimits, and a \$5 million pool aggregate. Premises pollution liability provides Members with a \$2 million incident limit and \$10 million pool aggregate subject to a \$100,000 per incident Member deductible.

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$1,000,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, 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, reinsurance and other 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.

**Multi Agency Communications Center**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

**Note 8 – SBITA (Lessees)**

During 2023, the district adopted guidance for the presentation and disclosure of Subscription Based Information Technology Arrangements (SBITA), as required by the BARS manual. This requirement resulted in the addition of a subscription liability reported on the Schedule of Liabilities.

The total amount paid for SBITAs in 2023 was \$424,917.30. As of December 31, 2023, the future SBITA payments are as follows:

Year ended December 31	Total
2024	\$753,369
2025	\$568,216
2026-2027	\$1,175,217
Total	\$2,496,802



## **Multi Agency Communications Center (aka MACC 911)**

### **Notes to the Financial Statements**

**For the year ended December 31, 2022**

#### **Note 1 - Summary of Significant Accounting Policies**

The Multi Agency Communications Center was incorporated 1n January 1995 and operates under the laws of the state of Washington applicable to an Interlocal Agency. The district is a special purpose local government and provides 9-1-1 Emergency Dispatch Communications Services for the first responder agencies of Grant County.

The Multi Agency Communications Center 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 (see Notes to 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 presented using classifications that are different from the ending net position classifications 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, except for fiduciary funds, which are presented by fund types. 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.

## **Multi Agency Communications Center (aka MACC 911)**

### **Notes to the Financial Statements**

**For the year ended December 31, 2022**

#### **B. Basis of Accounting and Measurement Focus**

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

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

#### **C. Cash and Investments**

See Note 3 - Deposits and Investments.

#### **D. Capital Assets**

Capital assets are assets with an initial individual cost of more than \$550 and an estimated useful life in excess of 3 years. Capital assets and inventory are recorded as capital expenditures when purchased.

#### **E. Compensated Absences**

Vacation leave may be accumulated up to 240 hours on December 31st and is payable after completion of the first year upon separation or retirement. Sick leave may be accumulated up to 960 hours. Upon separation or retirement employees with ten or more years of service do receive partial payment for unused sick leave. Payments are recognized as expenditures when paid.

MACC's Compensated Absences 12/31/22:
Annual Leave \$88,159.96
Comp Time=\$6597.40
Sick Leave=\$33,190.89
Social Security/Medicare=\$ 9,788.04
PERS=\$ \$676.23
Total=\$ 138,412.52

#### **Note 2- Budget Compliance**

The Multi Agency Communications Center adopts annual appropriated budgets for 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.

**For the year ended December 31, 2022**

Fund	Final Appropriated Amounts	Actual Expenditures	Variance
General	\$ 6,410,024.43	\$4,137,993.10	\$ 2,272,031.33

## **Multi Agency Communications Center (aka MACC 911)**

### **Notes to the Financial Statements**

**For the year ended December 31, 2022**

#### Investments in county investment pool

It is the Multi Agency Communications Center's policy to invest all temporary cash surpluses.

All deposits and certificates of deposit are covered by the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the Multi Agency Communications Center or its agent in the government's name.

The MACC Fund is an involuntary participant in the Grant 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 county reports its investment in the pool at amortized cost, which is the same as the value of the pool per share. (The LGIP does not impose liquidity fees or redemption gates on participant withdrawals/disclose any liquidity fees or redemption gates).

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the Multi Agency Communications Center 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 Multi Agency Communications Center's deposits and certificates of deposit are mostly 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 Multi Agency Communications Center or its agent in the government's name.

#### **Note 4 – Leases**

The Multi Agency Communications Center has 13 long term tower leases. The towers hold the radio equipment necessary to communicate with the first responders in the field. The leases have a variety of terms and can be renegotiated for renewal. The first group of them start to expire in 2027. Total Lease Liability through the year 2034=\$388,761.20.

2023	2024	2025	2026	2027
\$ 37,595	\$ 39,979	\$ 40,281	\$ 40,648	\$ 34,749
2028-2032		2033-2034		
\$ 152,082		\$ 43,427		

**Multi Agency Communications Center (aka MACC 911)**

**Notes to the Financial Statements**

**For the year ended December 31, 2022**

**Note 5 – Other Disclosures**

**Grant County Bonds**

Grant County issued 9.5 million dollars' worth of bonds on behalf of MACC in December 2010. The proceeds of the Bonds were used to pay for a portion of the costs of the electronics infrastructure and acquisition of public safety communications equipment for the Multi Agency Communications Center (MACC) and MACC facilities (the MACC projects) and paying the costs related to issuance of the bonds. MACC's 1/10th of 1% Emergency Communications Sales Tax is the pledge for repayment of the bonds.

The year end balances held by the Grant County Treasurer were as follows:

MACC Bond Reserve= \$857,299.77

MACC Radio System Bond= \$0.0

On January 5th 2017 Grant County refinanced the 2010 MACC Sales Tax/Limited Tax General Obligation Bonds for interest cost savings. The total net savings was \$711,438 and the average annual savings of \$50,817.

Grant County issued 7.5 million dollars' worth of bonds on behalf of MACC in December 2014. The proceeds of the Bonds were used for the purpose of building a new dispatch center. The 1/10th of 1% Emergency Communications Sales Tax is the pledge for repayment.

The year end balances held by the Grant County Treasurer were as follows:

MACC Bond Reserve II= \$301,350.18

MACC Construction Fund=\$4,497.13

It was determined during the 2016/2017 audit and again in the 2018/2019 audit by the Washington State Auditor's Office that MACC has no responsibility to list these bond debts on their financial statements.

**Multi Agency Communications Center (aka MACC 911)**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

**Note 6 – Pension Plans**

**A. State Sponsored Pension Plans**

Substantially all the Multi Agency Communications Centers 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 PERS 2 & 3.

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 annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

At June 30, 2022 (the measurement date of the plans), the district's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1 UAAL	\$68,733	0.011215%	312,267
PERS 2/3	\$117,206	0.014589%	(541,074)

**Note 7– Risk Management**

The Multi Agency Communications Center 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

## **Multi Agency Communications Center (aka MACC 911)**

### **Notes to the Financial Statements**

**For the year ended December 31, 2022**

for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 162 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 [1]. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, 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, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

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**Multi Agency Communications Center (aka MACC 911)**

**Notes to the Financial Statements**

**For the year ended December 31, 2022**

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.



**Multi Agency Communications Center  
Schedule of Liabilities  
For the Year Ended December 31, 2023**

<b>ID. No.</b>	<b>Debt ID Title</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Compensated absences		138,413	-	15,922	122,491
263.57	Leases, SBITA, and PPPs – For leases that the government is not purchasing the asset at the end of the lease and all SBITAs and PPPs		2,921,719	-	424,917	2,496,802
264.30	Pension liabilities		312,267	-	73,105	239,162
263.57	Leases, SBITA, and PPPs – For leases that the government is not purchasing the asset at the end of the lease and all SBITAs and PPPs		388,761	-	37,595	351,166
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>3,761,160</b>	<b>-</b>	<b>551,539</b>	<b>3,209,621</b>
<b>Total Liabilities:</b>			<b>3,761,160</b>	<b>-</b>	<b>551,539</b>	<b>3,209,621</b>

**Multi Agency Communications Center  
Schedule of Liabilities  
For the Year Ended December 31, 2022**

<b>ID. No.</b>	<b>Debt ID Title</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
264.30	Pension liabilities		127,912	184,355	-	312,267
259.12	Compensated absences		105,576	32,837	-	138,413
263.57	Leases, SBITA, and PPPs – For leases that the government is not purchasing the asset at the end of the lease and all SBITAs and PPPs		425,939	-	37,178	388,761
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>659,427</b>	<b>217,192</b>	<b>37,178</b>	<b>839,441</b>
<b>Total Liabilities:</b>			<b>659,427</b>	<b>217,192</b>	<b>37,178</b>	<b>839,441</b>

## 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](http://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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