



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Financial Statements Audit Report

Port of Camas-Washougal

Clark County

For the period January 1, 2013 through December 31, 2013

Published December 29, 2014

Report No. 1013268





Washington State Auditor
Troy Kelley

December 29, 2014

Board of Commissioners
Port of Camas-Washougal
Washougal, Washington

Report on Financial Statements

Please find attached our report on the Port of Camas-Washougal's financial statements.

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

Sincerely,

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

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

**Port of Camas-Washougal
Clark County
January 1, 2013 through December 31, 2013**

Board of Commissioners
Port of Camas-Washougal
Washougal, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Port of Camas-Washougal, Clark County, Washington, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Port's financial statements, and have issued our report thereon dated December 18, 2014.

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

internal control. Accordingly, we do not express an opinion on the effectiveness of the Port'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 Port'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

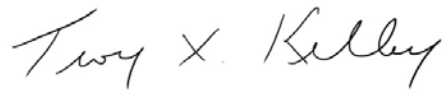
As part of obtaining reasonable assurance about whether the Port's financial statements are free from material misstatement, we performed tests of the Port's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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 Port'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 Port'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 cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

December 18, 2014

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Port of Camas-Washougal Clark County January 1, 2013 through December 31, 2013

Board of Commissioners
Port of Camas-Washougal
Washougal, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Port of Camas-Washougal, Clark County, Washington, for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Port's financial statements, as listed on page 10.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Port'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 Port's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Port of Camas-Washougal, for the year ended December 31, 2013, 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 Port used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Port of Camas-Washougal, as of December 31, 2013, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

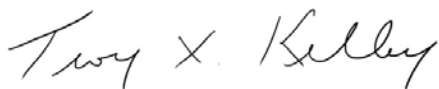
Other Matters

Supplementary and Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Liabilities is presented for purposes of additional analysis as required by the prescribed BARS manual. This schedule is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2014 on our consideration of the Port'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 Port's internal control over financial reporting and compliance.



TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

December 18, 2014

FINANCIAL SECTION

**Port of Camas-Washougal
Clark County
January 1, 2013 through December 31, 2013**

FINANCIAL STATEMENTS

Statement of Activities Arising from Cash Transactions
Notes to Financial Statements

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities

STATEMENT OF ACTIVITIES
ARISING FROM CASH TRANSACTIONS STATEMENT C-1
For the Year Ended December 31, 2013

OPERATING REVENUES

Airport operations	\$ 381,226
Marina operations	\$ 734,662
Property lease/rental operations	\$ 1,457,090
Total operating revenues	<u><u>\$ 2,572,978</u></u>

OPERATING EXPENSES

General operations	\$ 1,008,769
Maintenance	\$ 75,707
General and administrative	\$ 1,310,488
Total operating expenses	<u><u>\$ 2,394,964</u></u>

Operating Income (Loss)	\$ 178,014
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NON OPERATING REVENUES (EXPENSES)

Interest income	\$ 45,943
Taxes levied for:	
General purposes	\$ 1,384,500
Debt service principal/interest	\$ 599,687
Timber and Other Taxes	\$ 22,223
Disposal of capital assets	\$ -
Purchase of capital assets	\$ (5,176,579)
Long-term debt proceeds	\$ 7,924,888
Principal paid on long-term debt	\$ (1,930,000)
Interest paid on long-term debt	\$ (269,949)
Capital contributions	\$ 166,678
Other nonoperating revenues (expenses)	\$ (59,600)
Total Nonoperating Revenues (Expenses)	<u><u>\$ 2,707,791</u></u>

Net Increase (decrease) in cash and investments	\$ 2,885,806
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Beginning Balance of Cash and Investments	\$ 2,677,416
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ENDING BALANCE OF CASH AND INVESTMENTS	<u><u>\$ 5,563,222</u></u>
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Port of Camas-Washougal was incorporated in 1935 and operates under the laws of the state of Washington applicable to a port district.

A. Reporting Entity

The Port of Camas-Washougal is a special purpose government and provides airport hangar rentals, moorage, land and industrial development, and public recreation facilities to the general public and is supported primarily through user charges and property tax levy.

B. Basis of Accounting

The accounting records of the Port of Camas-Washougal are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW. The Port of Camas-Washougal uses the *Budgeting, Accounting and Reporting System for Cash Basis Port District*.

The accounts of the Port of Camas-Washougal are maintained on the basis of funds. For reporting purposes, the activities of all the Port of Camas-Washougal funds are combined.

The Port of Camas-Washougal uses the cash basis of accounting where revenues are recognized only when received and expenses are recognized when paid.

C. Cash

It is the Port of Camas-Washougal's policy to invest all temporary cash surpluses. The amount is included on the statement of revenues and expenses arising from cash transactions as cash and investments.

D. Deposits

The Port of Camas-Washougal deposits are covered by the Federal Deposit Insurance Corporation and the Washington Public Deposit Protection Commission.

E. Capital Assets

Major expenses for capital assets, including capital leases and major repairs that increase useful lives, are recorded as expenses when purchased. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased. Maintenance, repairs, and minor renewals are accounted for as expenses when paid.

F. Investments See Note 2.

G. Compensated Absences

Vacation pay may be accumulated up to 30 days and is payable upon separation, retirement, or death. Sick leave may accumulate up to 120 days. Upon retirement or death all unused sick leave may be exchanged for compensation at the rate of 2 sick days per 1 day of compensation.

H. Long-Term Debt See Note 4.

I. Risk Management

The Port of Camas is a member of Enduris. Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. Enduris was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW. Two (2) counties and two (2) cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to fund their self-insured losses and jointly purchase insurance and administrative services. As of August 31, 2013, there are 486 Enduris members representing a broad array of special purpose districts throughout the state.

Enduris members share in the self-insured retention, jointly purchase excess and/or reinsurance coverage and provide risk management services and other related administrative services. Enduris provides “per occurrence” based policies for all lines of liability coverage including Public Official’s Liability. The Property coverage is written on an “all risk”, blanket basis using current Statement of Values. The Property coverage includes but is not limited to mobile equipment, electronic data processing equipment, and business interruption, course of construction and additions, property in transit, fine arts, and automobile physical damage to insured vehicles. Boiler and machinery coverage is included on a blanket limit of \$100 million for all members. Enduris offers employee dishonesty coverage up to a liability limit of \$1,000,000.

Members make an annual contribution to fund Enduris. Enduris acquires reinsurance from unrelated insurance companies on a “per occurrence” basis:

\$1,000,000 deductible on liability loss - the member is responsible for the first \$1,000 of the deductible amount of each claim, while Enduris is responsible for the remaining \$999,000 on liability loss;

\$250,000 deductible on property loss - the member is responsible for the first \$1,000 of the deductible amount of each claim, while Enduris is responsible for the remaining \$249,000 on property loss. Enduris is responsible for the \$4,000 deductible on boiler and machinery loss.

Insurance carriers cover all losses over the deductibles as shown to the policy maximum limits. Since Enduris is a cooperative program, there is a joint liability among the participating members.

The contract requires members to continue membership for a period of not less than one (1) year and must give notice 60 days before terminating participation. The Master Agreement (Intergovernmental Contract) is automatically renewed after the initial one (1) full fiscal year commitment. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in-process claims for the period they were a signatory to the Master Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with Enduris and are administered in house.

A Board of Directors consisting of seven (7) board members governs Enduris. Its members elect the Board and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for conducting the business affairs of Enduris.

NOTE 2 – INVESTMENTS

The Port of Camas-Washougal's investments are entirely 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 (WPDPC). Under State law, public depositories under the WPDPC may be assessed on a prorated basis if the pool's collateral is insufficient to cover a loss. As a result, deposits covered by collateral held in the multiple financial institution collateral pool are considered to be insured. State law requires that deposits may only be made with institutions that are approved by the WPDPC.

All Port investments are obligations of the U.S. Government and its agencies. Certificates of deposits with Washington State banks and savings and are placed with or through qualified public depositories of the State of Washington. The investments in certificates of deposits and multiple financial institutions are protected under the Washington Public Protection Act and are backed by full faith and credit of the U.S. Government.

Investments are presented at fair market value.

Investments by type at December 31, 2013 are as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Deposits	\$ 5,400	\$ 2,000	\$ 7,400
Clark County Investment Pool	5,555,821	-	5,555,821
	<u>\$ 5,561,221</u>	<u>\$ 2,000</u>	<u>\$ 5,563,221</u>

NOTE 3 – PROPERTY TAXES

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

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

The Port's regular levy for 2013 was \$.311 per \$1,000 on an assessed valuation of \$4,409,109,776 for a total regular levy of \$1,373,667. In addition, the Port's bond fund levy was \$.136 per \$1,000 for a total of \$600,000. The total levy for 2013 was \$.447 per \$1,000 resulting in a total tax levy of \$1,973,667.

NOTE 4 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Long-Term Liabilities (09) provides more details of the outstanding debt and liabilities of the port and summarizes the port's debt transactions for year ended December 31, 2013.

The debt service requirements for general obligation bonds, revenue bonds and notes payable, including both principal and interest are as follows:

	General Obligation Debt	Revenue Debt	Notes Payable	Total Debt
2014	767,393	0	53,600	820,993
2015	755,782	0	41,600	797,382
2016	738,018	0		738,018
2017	709,127	0		709,127
2018	712,703	0		712,703
2019 - 2023	3,573,284	0		3,573,284
2024 - 2028	3,572,294	0		3,572,294
2029 - 2032	2,835,370	0		2,835,370
Total	\$13,663,971	\$0	\$95,200	\$13,759,171

The port issued general obligation bonds in the amount of \$6,640,000 in 2013 to reimburse the port for the purchase of land in November 2012 and for other capital project expenditures. This bond issue also refunded debt in the amount of \$1,455,000 on December 1, 2013. Bond debt for the port went from \$3,805,000 on December 31, 2012 to \$10,445,000 in February 2013.

NOTE 5 – PENSION PLANS

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

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

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

NOTE 6 – CONSTRUCTION IN PROGRESS

The Port has active construction projects as of December 31, 2013. The projects include:

Project	Spent to Date	Remaining Commitment
Chinook Memorial Phase II	\$0	\$3,100.18
Constructing H Row & Headwalks	\$1,120,333.94	\$305,919.47
Asphalt Airport Entry & Taxiways	\$51,499.94	\$2,495.00
Upgrade Pump House Electrical	\$10,728.57	\$48,125.90
Levee Bank Restoration	\$17,109.38	\$10,000.00
Constructing Bldg 15	\$1,533,165.05	440,592.00
6th Street Development	\$6,052.25	\$0.00
Waterfront Development*	-\$117,729.73	\$0.00
Trail Construction	47,057.02	\$952,942.98
Steigerwald Commerce Center Phase I	\$513,885.62	\$0.00

The Port has the funding available to pay all Port commitments listed.

*The -\$117,729.73 includes expenditures of \$138,412.27 to the waterfront development project less an insurance Settlement reimbursement to help cover costs for the cleanup of the waterfront development project of \$256,142.

NOTE 7 – POLLUTION REMEDIATION

The port's Hambleton property has ground contaminated with oil and fuels from lumber yard business activities.

The port is working with the Washington State Department of Ecology (DOE) to clean up the site. DOE has awarded a 90% grant coverage to the port for the initial cleanup cost of \$439,000.

Upon a constituents comment in a board meeting about potential transformer burial on the site, there was further analysis of the land which resulted in a second potential cleanup of \$380,000. DOE has issued a comfort letter that it is their policy to finish cleanup projects they start with local governments, therefore they plan to help fund the potential cleanup of this land as well.

Total cost to the port for the cleanup would be 10% of the \$439,000 and it is unknown at this time how much DOE would cover of the \$380,000 potential cleanup. However the port has received an insurance settlement for the land contamination in the amount of \$256,142. Therefore total out of pocket cost to the port, at most, could be \$423,910 less the insurance settlement of \$256,142 for a cost of \$167,768.

NOTE 8 – OPEB

The port has a commitment to pay for post-employment benefits for employees that belong to PEBB. These benefits include medical, dental, vision, LTD, and life insurance. No retirees received benefits during the year and \$0 was paid out for those benefits during the year.

NOTE 9 –FORMATION OF PUBLIC CORPORATION

The Port of Camas-Washougal's Public Industrial Corporation was formed in 1982 by the Port Commissioners pursuant to the provisions of 1981 Washington laws Chapter 300 to promote local economic development. Commissioners of the Port of Camas-Washougal also serve as directors of the Port of Camas-Washougal's Public Industrial Corporation.

The corporation had authorized and issued bonds totaling \$10,900,000 in 1982. In 1993, the corporation refunded the entire 1982 bond for \$10,300,000 with a maturity date of April 1, 2023. On February 8, 2012, Georgia Pacific called for redemption of all the outstanding \$10,300,000 refunding revenue bonds. With this action, there were no further annual \$3,000 deposits required from Georgia Pacific to Public Industrial Corporation, resulting in an ending account balance of \$0, and the bank account being closed.

There was no activity with PIC in 2013

NOTE 10 – SUBSEQUENT EVENT

The port is foreseeing obtaining general obligation bonds in the amount of \$4 million in January-February of 2015 for the construction of building 17 and the waterfront park and trail project.

Port of Camas-Washougal

Schedule of Liabilities
For the year ended December 31, 2013

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2013	Additions	Reductions	Ending Balance December 31, 2013
General Obligations							
	259.11	Compensated Absences	12/31/2013	39,144	393	0	39,537
	251.11	2004 Bonds - Acquire land and finance hangar construction	12/1/2013	1,650,000	0	1,650,000	0
	251.11	2010 Bonds - Refunded 1999C and 2001B Bonds	12/1/2013	1,045,000	0	0	1,045,000
	251.11	2010 Bonds - Refunded 1999B and 2001A Bonds	12/1/2013	1,110,000	0	190,000	920,000
	251.11	2013 Bonds - Refunded portion of 2004B bonds	12/1/2013	0	1,010,000	0	1,010,000
	251.11	2013 Bonds - Acquire land and refunded portion of 2004B bonds	12/1/2013	0	7,085,000	90,000	6,995,000
	263.61	2003 Mahlon Hunt Contract Payable	2/28/2014	4,000	0	4,000	0
	263.61	2012 Ron Gustafson Contract Payable	5/1/2016	140,000	0	50,000	90,000
	263.93	OPEB	12/31/2013	162,850	45,209	0	208,059
	263.95	Pollution Remediation	12/31/2013	167,768	0	0	167,768
		Total General Obligations:		4,318,762	8,140,602	1,984,000	10,475,364
		Total Liabilities:		4,318,762	8,140,602	1,984,000	10,475,364

The accompanying notes to the financial statements are an integral part of this schedule

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

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

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

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