

Exit Conference

Law Enforcement Officers' and Fire
Fighters' Plan 2 Retirement Board

Cavan Busch
Audit Manager

Stephanie Garza
Audit Supervisor

Laura Shackley
Audit Lead

December 13th, 2023



Office of the
Washington
State Auditor
Pat McCarthy

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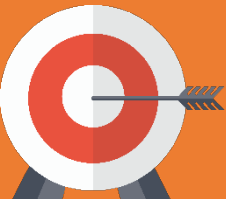
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Pat McCarthy
State Auditor

Financial Audit Results

July 1st, 2022, through June 30th, 2023



Unmodified Opinion Issued

- Opinion issued in accordance with U.S. GAAP/Regulatory Basis of Accounting
- Audit conducted in accordance with Government Auditing Standards

Internal Control and Compliance over Financial Reporting

- We reported no significant deficiencies in internal control
- We identified no deficiencies that we consider to be material weaknesses.
- We noted no instances of noncompliance that were material to the financial statements of the Board

Areas of Financial Audit Emphasis

Completeness- Were all expenses recorded in the financial statement?

- ☐ Testing of Salaries & Wages

Classification- Were expenses properly classified in the financial statement?

- ☐ Testing of Contractual Services
- ☐ Testing of Employee Training and Development



Areas of Financial Audit Emphasis



Presentation and disclosures

- ☐ Was the financial statement clearly and appropriately presented?
- ☐ Were note disclosures complete and accurate?
- ☐ If significant financial events occurred, were they properly disclosed in the statement notes?

Financial Audit Results



Required Communications

- There were no significant uncorrected misstatements

Closing Remarks

- ☐ Audit costs are in alignment with our original estimate
- ☐ Next audit: Should the Board choose to contract with our Office next year, we estimate the number of hours to be the same as this year





Report Publication

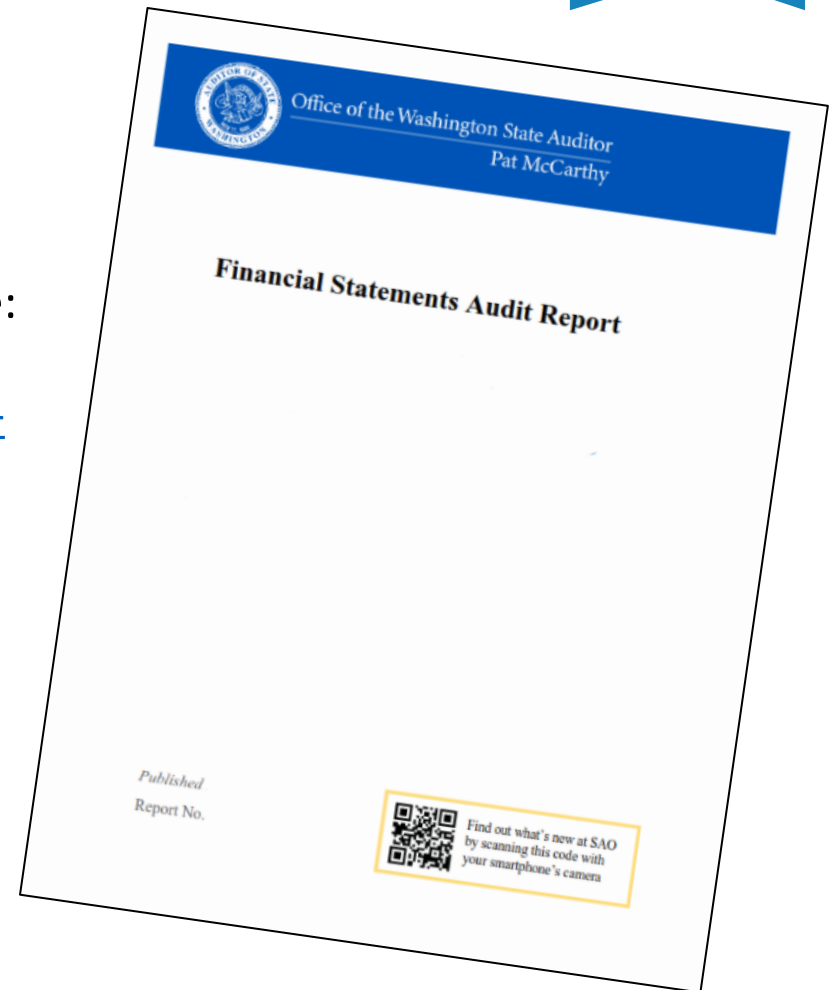
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We value your opinions on our audit services and hope you provide feedback.



Thank You!



- We thank officials and staff for timely communications throughout the audit process.
- In particular, we would like to thank Seth Flory at DES, as well as Tim Valencia and Jessie Jackson for responding to all our requests promptly.

Questions?



Contact Cavan Busch, Audit Manager

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State Audit Team Contacts



Cavan Busch, Audit Manager

Cavan has been with the Washington State Auditor's Office since 2008. Notable work experiences include supervising the Statewide Single Audit for six years, supervising the Medicaid single audit and acting as a sampling specialist for the Office.

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Stephanie Garza, Assistant Audit Manager

Stephanie has been with the Washington State Auditor's Office since 2015. Notable work experiences include auditing the Annual Financial Comprehensive Report (ACFR), Statewide Single Audit including Medicaid, and various accountability audits. She graduated from Eastern Washington University with Bachelor's Degrees in Accounting, Finance, and General Business. She also serves as a state agency subject matter expert.

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Laura Shackley, Audit Lead

Laura has been with the Washington State Auditor's Office since 2021. Notable work experiences include working for three years at a CPA firm as a federal income tax preparer and staff accountant. She graduated from Saint Martin's University in 2020 with a Bachelor's Degree in Finance and in 2022 with a Masters in Business Administration.

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SAO Executive Management



Pat McCarthy

State Auditor

Pat McCarthy is the 11th Washington State Auditor and became the first woman elected to the position when she took the oath of office in 2017. Previously, Pat was twice elected Pierce County Executive; she is also the first woman to hold that role. Over more than 30 years of her public service career, Pat has served as Pierce County Auditor and Deputy Auditor, and Board President for the Tacoma School District.

SAO Executive Management



Sadie Armijo, CFE, Director of State Audit – Sadie has been with the Washington State Auditor’s Office since 1998. She oversees most of the state audits our Office performs. Teams under her direction include the Financial Audit team, which conducts accountability audits, as well as the annual audit of the State of Washington Comprehensive Annual Financial Report and other financial statement audits. The Single Audit team performs accountability audits and the State of Washington Single Audit, which examines state agencies’ compliance with federal grant requirements. The third team Sadie leads is the Whistleblower team, which investigates assertions of improper governmental actions at state agencies. She previously was an Assistant Director of Local Audit for five years.

Jim Brownell, Assistant Director of State Audit and Special Investigations – Jim has been with the Office of the Washington State Auditor since 2005. He and the Director of State Audit and Special Investigations oversees most of the state audits our Office performs. The most notable audits that Jim oversees are the ACFR and Single Audit for the State of Washington. He also oversees the State Whistleblower program, which is responsible for investigating alleged improper governmental actions by state agency employees. Jim is also the Office’s program manager over Commodity Commission financial and accountability audits.



Office of the Washington State Auditor
Pat McCarthy

Preliminary Draft - Please do not duplicate, distribute, or disclose.

Schedule of Expenditures Audit Report

Law Enforcement Officers and Fire Fighters Plan 2 Retirement Board

(LEOFF Plan 2 Retirement Board)

For the period July 1, 2022 through June 30, 2023

Published (Inserted by OS)

Report No. 1033801



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

Issue Date – (Inserted by OS)

Steve Nelsen, Executive Director
Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board
Olympia, Washington

Report on Schedule of Expenditures

Please find attached our report on the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board's Schedule of Expenditures- Budget Allotment to Actual.

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

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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 Schedule of Expenditures Performed in Accordance with *Government Auditing Standards*

Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board July 1, 2022 through June 30, 2023

Steve Nelsen, Executive Director
Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board
Olympia, 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 Schedule of Expenditures-Budget Allotment to Actual and related notes (the schedule) of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board, as of and for the year ended June 30, 2023, and have issued our report thereon dated December 13, 2023.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the schedule of expenditures, we considered the Board'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 schedule of expenditures, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 Board's schedule 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.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Board's schedule is 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 schedule of expenditures. 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 Board'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 Board'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.



Pat McCarthy, State Auditor

Olympia, WA

December 13, 2023

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Schedule of Expenditures

Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board July 1, 2022 through June 30, 2023

Steve Nelson, Executive Director
Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board
Olympia, Washington

REPORT ON THE AUDIT OF THE SCHEDULE OF EXPENDITURES

Opinion

We have audited the accompanying Schedule of Expenditures - Budget Allotment to Actual of Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board, as of and for the year ended June 30, 2023, and the related notes to the schedule of expenditures, which collectively comprise the Board's schedule as listed in the financial section of our report.

In our opinion, the accompanying schedule of expenditures referred to above present fairly, in all material respects, the financial position of LEOFF Plan 2 Retirement Board, as of June 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule of expenditures section of our report. We are required to be independent of the Board 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 opinion.

Matters of Emphasis

As discussed in Note 4 to the 2023 schedule of expenditures, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the Board is unknown. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Schedule of Expenditures

Management is responsible for the preparation and fair presentation of this schedule in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of schedule of expenditures that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Schedule of Expenditures

Our objectives are to obtain reasonable assurance about whether the schedule of expenditures as a whole is 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 schedule of expenditures.

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 schedule of expenditures, 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 schedule of expenditures;
- 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 Board'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 schedule of expenditures;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board'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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the schedule as a whole. The Supplemental Table-Prior Year Expenditure Comparison is presented for purposes of additional analysis and is not a required part of the schedule. Such information has not been subjected to the auditing procedures applied in the audit of schedule, and accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 on our consideration of the Board'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 the effectiveness of 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 Board's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

December 13, 2023

FINANCIAL SECTION

Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board July 1, 2022 through June 30, 2023

SCHEDULE OF EXPENDITURES

Schedule of Expenditures – Budget Allotment to Actual– 2023
Notes to Schedule of Expenditures – 2023

OTHER INFORMATION

Supplemental Table-Prior Year Expenditures for Comparison – 2022

LAW ENFORCEMENT OFFICERS FIRE FIGHTERS PLAN 2 RETIREMENT BOARD
SCHEDULE OF EXPENDITURES – BUDGET ALLOTMENT TO ACTUAL
For the State Fiscal Year Ending June 30, 2023

FISCAL YEAR 2023 EXPENDITURES (Actuals versus Budgeted):

Expenditure Title:	Budgeted	Actual	Variance
Salaries & Wages	\$952,502	\$927,553	\$24,949
Employee Benefits & Payroll Taxes	\$283,864	\$281,744	\$2,120
Professional Service Contracts	\$58,800	\$34,780	\$24,020
Supplies and Materials	\$7,560	\$3,653	\$3,907
Communications/Telecommunications	\$33,560	\$23,620	\$9,940
Utilities	\$4,800	\$6,210	(\$1,410)
Rentals and Leases - Land & Buildings	\$55,188	\$55,184	\$4
Repairs, Alterations & Maintenance	\$0	\$1,385	(\$1,385)
Printing and Reproduction	\$10,000	\$9,263	\$737
Employee Prof Dev & Training	\$50,418	\$37,303	\$13,115
Rental & Leases - Furniture & Equipment	\$3,800	\$3,554	\$246
Subscriptions	\$3,680	\$1,540	\$2,140
Facilities and Services	\$43,376	\$42,442	\$934
Data Processing Services (Interagency)	\$118,116	\$121,691	(\$3,575)
Attorney General Services	\$12,580	\$9,676	\$2,904
Personnel & HR Services	\$13,872	\$16,333	(\$2,461)
Insurance	\$1,961	\$2,013	(\$52)
Other Contractual Services	\$125,636	\$124,650	\$986
State Auditor Services	\$16,261	\$4,785	\$11,476
Archives & Records Management Services	\$912	\$328	\$584
Software Licenses and Maintenance	\$2,400	\$4,012	(\$1,612)
Other Goods and Services (<i>Note 1 Section B</i>)	(\$3,200)	(\$4,345)	\$1,145
Travel, Lodging & Subsistence	\$69,720	\$28,027	\$41,693
Non-capitalized Assets	\$7,500	\$1,566	\$5,934
Other Grants & Benefits	\$1,600	\$1,600	\$0
TOTALS	\$1,874,906	\$1,738,567	\$136,339

Note: A positive variance represents an underspend in the category, while a (negative) variance represents an overspend.

LAW ENFORCEMENT OFFICERS & FIRE FIGHTERS PLAN 2 RETIREMENT BOARD
NOTES TO SCHEDULE OF EXPENDITURES
For the Fiscal Year Ending June 30, 2023

Note 1 – Agency Description & Summary of Significant Accounting Policies

A. Agency Description, Background, & Activities

The Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement (the Board) was created through taxpayer initiative 790 in November of 2002. In 2003, the Board was created as a state agency governed by its board of trustees. The Board exists to research, develop, and execute broad policies beneficial to the members of the Law Enforcement Officers' and Firefighters' Plan 2 Pension Fund's present and future recipients. The Board employs eight full time employees to act as administrative, technical, and advisory experts to aid in carrying out the Board's mission and Strategic Plan.

The eleven-member board of trustees is appointed by the Governor of the State of Washington. Board members are appointed from the following groups:

- Three must be active law enforcement officers who participate in the plan and one of the members may be a retired law enforcement officer and a member of the plan.
- Three must be active fire fighters who participate in the plan and one of the members may be a retired fire fighter that participates in the plan.
- Three must be representatives of employers.
- One must be a member of the State House of Representatives.
- One must be a member of the State Senate.

The Board is empowered to oversee the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF Plan 2). They do not maintain custody or manage the investments in the plan. The custody and investment function is the responsibility of the Washington State Investment Board (WSIB). The Board is required to; (1) adopt actuarial tables, assumptions, and cost methodologies, (2) adopt contribution rates for LEOFF Plan 2, (3) and other related duties. The other related duties the Board incurs expenditures for include:

Professionals & Technical Advisors – Retain professionals and technical advisors necessary to accomplish the Board's duties. As provided by RCW 41.26.720, the board shall make an annual report to the governor, legislature, and state auditor setting forth a summary of the costs and expenditures of the plan for the preceding year. The Board shall also retain the services of an independent certified public accountant who shall annually audit the expenses of the fund and whose report shall be included in the board's annual report.

Actuary – Consulting with an enrolled actuary retained by the Board (the State Actuary shall provide assistance when the Board requests). The actuary used must provide the State Actuary with copies of its valuations, assumptions, and cost methodology for a reasonableness review. If the two actuaries do not agree, a third actuary must be appointed by the Board and State Actuary.

Other Costs – Retain administrative staff and acquire office space for operations. Process travel reimbursements for board members as provided by RCW 43.03.050 and 43.03.060.

LAW ENFORCEMENT OFFICERS & FIRE FIGHTERS PLAN 2 RETIREMENT BOARD
NOTES TO SCHEDULE OF EXPENDITURES
For the Fiscal Year Ending June 30, 2023

B. Basis of Accounting and Reporting

The expense account used by the LEOFF Plan 2 Board is a governmental fund. The Board uses the modified-accrual basis of accounting with a measurement focus on current financial resources. The Schedule of Expenditures-Budget and Actual is not intended to be a complete presentation of the Board's assets, liabilities, and revenues nor does it constitute a complete set of financial statements in accordance with generally accepted accounting principles.

The Board's general accounting, reporting, payroll, and budget functions are managed by the Washington State Department of Enterprise Service's Small Agency Financial Services and Human Resources Teams. All accounting data is maintained in the statewide Accounting & Financial Reporting System (AFRS) under agency 341.

The Board relies heavily on the State Administrative and Accounting Manual (SAAM) in the development and execution of its accounting related policies.

Note for negative expenditure data: The "Other Goods and Services" category is reporting a negative balance for actual fiscal year 2023 results. This negative amount is caused by expense reimbursements from the U.S. Bank Purchase Card Rebate program. Rebate amounts are based on a fraction of expenditures from various expense categories and are consolidated into this category for reporting purposes.

Expenditure Authority (RCW 41.26.732):

The authority to establish all policies relating to the expense fund, other than the investment policies of the Washington State Investment Board (WSIB), resides with the Board. With the exception of investments by, and expenses of, the WSIB, disbursements from the expense fund may only be made with the authorization of the board.

Expenditures of the Board are paid out of a singular operation account (LEOFF Plan 2 Board Expense Account / Account Number: 548). This expense account is administered by the state treasury. The Board retains no other accounts for official Board business.

Expenditures from the expense account may only be used in the execution of Board duties. Allowable expenses include, but are not limited to:

- Salaries, benefits, and related payroll costs of personnel
- Lease Payments
- Travel
- Good & Services
- Audits
- Other general and reasonable costs of conducting board business

LAW ENFORCEMENT OFFICERS & FIRE FIGHTERS PLAN 2 RETIREMENT BOARD
NOTES TO SCHEDULE OF EXPENDITURES
For the Fiscal Year Ending June 30, 2023

C. Budgetary Process

The Board must develop an annual budget consistent with the requirements of chapter 43.88 of the Revised Code of Washington. The budget for the Board is funded from the investment income of the LEOFF trust fund held by the WSIB.

The budget for the agency is subject to the allotment process directed by the Office of Financial Management (OFM) but is not subject to legislative appropriation. Allotments may be updated as needed however, they are non-binding and are used as an expense monitoring tool so that biennial budgets are not exceeded.

Note 2 Commitments & Non-Current Liabilities

D. Major Lease Payments and Commitments

The lease expenses incurred in fiscal year 2023 totaled \$55,184.

In 2021, the Board, acting through the Washington State Department of Enterprise Services (DES), entered a five-year operating lease for office space which is effective until January 31, 2026. The agreement obligates the Board to monthly lease payments of \$4,598.69. In addition to the monthly lease payments, the agency is also required to pay the landlord for its prorated share (currently 75%) of the building's water, sewer, garbage, and electricity utility charges. The agency is also required to pay a 50% share of the building's alarm monitoring fees. Reimbursements to the landlord totaled \$6,210 in fiscal year 2023.

LAW ENFORCEMENT OFFICERS & FIRE FIGHTERS PLAN 2 RETIREMENT BOARD
NOTES TO SCHEDULE OF EXPENDITURES
For the Fiscal Year Ending June 30, 2023

E. Compensated Absences

Consistent with statewide employment practices the Board maintains an ongoing cost of compensated absences for employees that accrue sick and vacation leave on a monthly basis. Costs associated with compensated absences are not recorded as expenditures until absences are taken. The agency then records the future liability related to compensated leave.

The below table summarized the changes in compensated absences expenses for the year ended June 30, 2023, and reflects the potential cost of compensated leave.

Compensated Absences Summary	Vacation Leave Liability	Sick Leave Liability	Total
Current Year Opening Balance	\$ 98,851	\$ 53,660	\$ 152,511
Net Increase in Liability for the Year	\$ 10,299	\$ 9,507	\$ 19,806
Balance at year ending June 30, 2023	\$ 109,150	\$ 63,167	\$ 172,317

Note 3 – Related Party Transactions

The Board obtains a significant amount of goods and services from other agencies within the state of Washington in the form of interagency agreements. The costs of these agreements are developed during the State's budget process and are generally structured to recover the cost of providing goods and services. The following table summarizes the most significant agreements/services provided with other state agencies and the cost of these agreements in fiscal year 2023.

Interagency & Central Services Billing (State Rendered Services)

Agency	Service	FY23 Charges	% of Total
Office of the State Actuary	Actuary Services	\$ 119,860	25.87%
Department of Enterprise Services (DES)	Multiple Services**	\$ 79,139	17.08%
WaTech/OCIO	IT Services	\$121,231	26.17%
Office of the Attorney General	Legal Services	\$ 9,676	2.09%
State Auditor's Office	Audit Services	\$4,785	1.03%
Office of Financial Management	Multiple Services**	\$ 8,692	1.88%
TOTALS		\$ 343,383	74.12%*

*Note % of total is a comparison of all E - Goods & Services expenditures for FY23 (\$463,298).

**DES & OFM charges includes charges for: Financial Services, Training Services, Real Estate Contracting Services, Statewide systems charges, Mail Services, Personnel Services, Parking Services, and Risk Management Services.

LAW ENFORCEMENT OFFICERS & FIRE FIGHTERS PLAN 2 RETIREMENT BOARD
NOTES TO SCHEDULE OF EXPENDITURES
For the Fiscal Year Ending June 30, 2023

Note 4 – COVID-19 Pandemic

The Board and agency continue to comply with all health and policy recommendations from the Centers for Disease Control and Prevention, the Washington State Department of Health, and State Human Resources.

LAW ENFORCEMENT OFFICERS & FIRE FIGHTERS PLAN 2 RETIREMENT BOARD

NOTES TO SCHEDULE OF EXPENDITURES

For the Fiscal Year Ending June 30, 2023

SUPPLEMENTAL TABLE:

PRIOR YEAR (FISCAL YEAR 2022) EXPENDITURES FOR COMPARISON

Expenditure Title:	Budgeted	Actual	Variance
Salaries & Wages	\$919,084	\$868,924	\$50,160
Employee Benefits & Payroll Taxes	\$260,609	\$255,810	\$4,799
Professional Service Contracts	\$35,000	\$2,600	\$32,400
Supplies and Materials	\$8,040	\$2,460	\$5,580
Communications/Telecommunications	\$33,960	\$23,271	\$10,689
Utilities	\$4,800	\$6,903	(\$2,103)
Rentals and Leases - Land & Buildings	\$55,188	\$55,184	\$4
Repairs, Alterations & Maintenance	\$1,700	\$307	\$1,393
Printing and Reproduction	\$10,000	\$4,858	\$5,142
Employee Prof Dev & Training	\$18,616	\$22,947	(\$4,331)
Rental & Leases - Furniture & Equipment	\$3,000	\$2,997	\$3
Subscriptions	\$3,098	\$1,855	\$1,243
Facilities and Services	\$38,076	\$37,951	\$125
Data Processing Services (Interagency)	\$121,208	\$125,116	(\$3,908)
Attorney General Services	\$11,604	\$10,825	\$779
Personnel & HR Services	\$13,560	\$14,604	(\$1,044)
Insurance	\$1,961	\$1,977	(\$16)
Other Contractual Services	\$124,676	\$124,262	\$414
State Auditor Services	\$17,881	\$25,960	(\$8,079)
Archives & Records Management Services	\$936	\$308	\$628
Software Licenses and Maintenance	\$2,400	\$4,298	(\$1,898)
Other Goods and Services (<i>Note 1 Section B</i>)	(\$3,200)	(\$3,266)	\$66
Travel, Lodging & Subsistence	\$51,497	\$16,534	\$34,963
Non-capitalized Assets	\$8,000	\$3,591	\$4,409
Other Grants & Benefits	1400	\$1,794	(\$394)
TOTALS	\$1,743,094	\$1,612,070	\$131,024

Note: A positive variance represents an underspend in the category, while a (negative) variance represents an overspend.

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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